UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 June 30, 2014

OR

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

For the transition period from_____ to _____

Commission file number 001-35877

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Maryland	**46-1347456**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1906 Towne Centre Blvd, Suite 370 Annapolis, Maryland	**21401**
(Address of principal executive offices)	**(Zip code)**

(410) 571-9860
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: 21,774,411 shares of common stock, par value $0.01 per share, outstanding as of August 7, 2014 (which excludes unvested shares of restricted common stock).

EXPLANATORY NOTE

We provide debt and equity financing for sustainable infrastructure projects that increase energy efficiency, provide cleaner energy sources, positively impact the environment or make more efficient use of natural resources. We are self-advised and self-administered, were incorporated in the state of Maryland on November 7, 2012, and intend to elect and qualify as a real estate investment trust ("REIT") for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2013.

Hannon Armstrong Capital, LLC, a Maryland limited liability company, the entity that operated our historical business prior to the consummation of our initial public offering on April 23, 2013 (our "IPO") and which we refer to as the "Predecessor," became our subsidiary upon consummation of our IPO. To the extent any of the financial data included in this Quarterly Report on Form 10-Q is as of a date or from a period prior to the consummation of our IPO, such financial data is that of the Predecessor. The financial data for the Predecessor for such periods do not reflect the material changes to the business as a result of the capital raised in the IPO including the broadened types of projects undertaken, the enhanced financial structuring flexibility and the ability to retain a larger share of the economics from the origination activities. Accordingly, the financial data for the Predecessor is not necessarily indicative of our results of operations, cash flows or financial position following the completion of the IPO.

In this Quarterly Report on Form 10-Q, unless specifically stated otherwise or the context otherwise indicates, references to "we," "our," "us," and "HASI" refer to Hannon Armstrong Sustainable Infrastructure Capital, Inc., a Maryland corporation, Hannon Armstrong Sustainable Infrastructure, L.P., and any of our other subsidiaries. Hannon Armstrong Sustainable Infrastructure, L.P. is a Delaware limited partnership of which we are the sole general partner and to which we refer in this Quarterly Report on Form 10-Q as our "Operating Partnership."

FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this Quarterly Report on Form 10-Q within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that are subject to risks and uncertainties. For these statements, we claim the protections of the safe harbor for forward-looking statements contained in such Sections. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, we intend to identify forward-looking statements.

Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements are contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (our "2013 Form 10-K") that was filed with the U.S. Securities and Exchange Commission (the "SEC"), and include risks discussed in MD&A of this Quarterly Report on Form 10-Q and in other periodic reports that we file with the SEC. Statements regarding the following subjects, among others, may be forward-looking:

- our acquisition and integration of American Wind Capital Company, LLC ("AWCC");

- the state of government legislation, regulation and policies that support energy efficiency, clean energy and sustainable infrastructure projects and that enhance the economic feasibility of energy efficiency, clean energy and sustainable infrastructure projects and the general market demands for such projects;
- market trends in our industry, energy markets, commodity prices, interest rates, the debt and lending markets or the general economy;
- our business and investment strategy;
- our ability to complete potential new financing opportunities in our pipeline;
- our relationships with originators, investors, market intermediaries and professional advisers;
- competition from other providers of financing;
- our or any other companies' projected operating results;
- actions and initiatives of the U.S. federal, state and local government and changes to U.S. federal, state and local government policies and the execution and impact of these actions, initiatives and policies;
- the state of the U.S. economy generally or in specific geographic regions, states or municipalities; economic trends and economic recoveries;
- our ability to obtain and maintain financing arrangements on favorable terms, including securitizations;
- general volatility of the securities markets in which we participate;
- changes in the value of our assets, our portfolio of assets and our investment and underwriting process;
- interest rate and maturity mismatches between our assets and any borrowings used to fund such assets;
- changes in interest rates and the market value of our target assets;
- changes in commodity prices;
- effects of hedging instruments on our target assets;
- rates of default or decreased recovery rates on our target assets;

- the degree to which our hedging strategies may or may not protect us from interest rate volatility;
- impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters;
- our ability to qualify, and maintain our qualification, as a REIT for U.S. federal income tax purposes;
- our ability to maintain our exception from registration under the Investment Company Act of 1940, as amended (the "1940 Act");
- availability of opportunities to originate energy efficiency, clean energy and sustainable infrastructure projects;
- availability of qualified personnel;
- estimates relating to our ability to make distributions to our stockholders in the future; and
- our understanding of our competition.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this Quarterly Report on Form 10-Q. We disclaim any obligation to publicly release the results of any revisions to these forward-looking statements, except as required by law. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise.

The risks included here are not exhaustive. Other sections of this Quarterly Report on Form 10-Q or our 2013 Annual Report on Form 10-K may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

The following discussion is a supplement to and should be read in conjunction with our 2013 Annual Report on Form 10-K.

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PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2014 and DECEMBER 31, 2013
(AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	June 30, 2014	December 31, 2013
Assets		
Financing receivables	$456,073	$ 347,871
Financing receivables held-for-sale	—	24,758
Investments held-to-maturity	—	91,964
Investments available-for-sale	67,640	3,213
Real estate	50,318	—
Real estate related intangible assets	16,907	—
Securitization assets	6,221	6,144
Cash and cash equivalents	38,691	31,846
Restricted cash and cash equivalents	9,557	49,865
Other intangible assets, net	1,604	1,706
Goodwill	5,942	3,798
Other assets	11,176	10,267
Total Assets	**$664,129**	**$ 571,432**
Liabilities and Equity		
Liabilities:		
Accounts payable, dividends payable and accrued expenses	$ 17,361	$ 7,296
Deferred funding obligations	15,394	74,675
Credit facility	166,191	77,114
Asset-backed nonrecourse notes (secured by financing receivables of $108.2 million and $109.5 million, respectively)	97,393	100,081
Other nonrecourse debt (secured by financing receivables of $141.6 million and $156.4 million, respectively)	144,953	159,843
Deferred tax liability	693	1,799
Total Liabilities	**441,985**	**420,808**
Non-controlling interest currently redeemable for cash	**4,918**	**—**
Equity:	—	—
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 21,774,411 shares and 15,892,927 issued and outstanding, respectively	218	159
Additional paid in capital	231,620	160,120
Retained deficit	(16,918)	(13,864)
Accumulated other comprehensive income	2,306	110
Non-controlling interest	—	4,099
Total Equity	**217,226**	**150,624**
Total Liabilities and Equity	**$664,129**	**$ 571,432**

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2014	2013	2014	2013
Net Investment Revenue:				
Interest Income, Financing receivables	$ 5,229	$ 3,384	$ 9,847	$ 6,095
Interest Income, Investments	1,138	17	2,432	17
Rental Income	410	—	410	—
Investment Revenue	**6,777**	**3,401**	**12,689**	**6,112**
Investment interest expense	(3,684)	(2,069)	(7,214)	(4,305)
Net Investment Revenue	3,093	1,332	5,475	1,807
Provision for credit losses	—	—	—	—
Net Investment Revenue, net of provision for credit losses	3,093	1,332	5,475	1,807
Other Investment Revenue:				
Gain on sale of receivables and investments	4,272	884	6,246	884
Fee income	207	648	1,550	929
Other Investment Revenue	4,479	1,532	7,796	1,813
Total Revenue, net of investment interest expense and provision	**7,572**	**2,864**	**13,271**	**3,620**
Compensation and benefits	(2,924)	(7,292)	(4,537)	(8,443)
General and administrative	(1,445)	(1,237)	(2,598)	(1,927)
Depreciation and amortization of intangibles	(61)	(111)	(123)	(216)
Acquisition costs	(1,104)	—	(1,104)	—
Other interest expense	—	(7)	—	(56)
Other income	7	9	9	29
Other Expenses, net	(5,527)	(8,638)	(8,353)	(10,613)
Net income (loss) before income taxes	2,045	(5,774)	4,918	(6,993)
Income tax benefit	830	—	770	—
Net Income (Loss)	**$ 2,875**	**$ (5,774)**	**$ 5,688**	**$ (6,993)**
Net income (loss) attributable to non-controlling interest holders	47	(802)	107	(2,021)
Net Income (Loss) Attributable to Controlling Shareholders	**$ 2,828**	**$ (4,972)**	**$ 5,581**	**$ (4,972)**
Basic earnings per common share	$ 0.13	$ (0.32)	$ 0.29	$ (0.32)
Diluted earnings per common share	$ 0.13	$ (0.32)	$ 0.29	$ (0.32)
Weighted average common shares outstanding—basic	19,973,393	15,439,311	17,944,432	15,439,311
Weighted average common shares outstanding—diluted	19,973,393	15,439,311	17,944,432	15,439,311

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net Income (Loss)	$ 2,875	$ (5,774)	$ 5,688	$ (6,993)
Unrealized gain on investments available-for-sale, net	2,284	—	2,284	—
Unrealized (loss) gain on residual assets	(33)	127	(46)	(82)
Comprehensive income (loss)	$ 5,126	$ (5,647)	$ 7,926	$ (7,075)
Less: Comprehensive income (loss) attributable to non-controlling interests holders	89	(767)	149	(2,195)
Comprehensive Income (Loss) Attributable to Non-controlling Shareholders	$ 5,037	$ (4,880)	$ 7,777	$ (4,880)

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities		
Net income (loss)	$ 5,688	$ (6,993)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of intangibles	161	216
Equity-based compensation	1,970	6,179
Amortization of deferred financing fees	937	—
Gain on sales of investments	(1,870)	—
Noncash gain on sales and payment in kind income	(668)	(10)
Amortization of servicing assets	205	255
Change in securitization residual assets	340	125
Change in financing receivables held-for-sale and investments available-for-sale	16,801	—
Change in accounts payable, dividends payable and accrued expenses	2,313	(2,926)
Other	(839)	(664)
Net cash provided by (used in) operating activities	25,038	(3,818)
Cash flows from investing activities		
Acquisition of American Wind Capital Co. LLC, net of cash acquired	(106,744)	—
Purchases of financing receivables	(107,227)	(89,790)
Principal collections from financing receivables	16,157	11,947
Proceeds from sales of financing receivables	22,428	—
Purchases of investments	—	(37,021)
Principal collections from investments	1,522	—
Proceeds from sales of investments	36,232	—
Purchase of property and equipment	20	—
Proceeds from affiliate	—	278
Change in restricted cash	40,308	(29,168)
Net cash used in investing activities	(97,304)	(143,754)
Cash flows from financing activities		
Net proceeds from common stock issuances	70,380	160,342
Proceeds from nonrecourse debt	—	29,122
Principal payments on nonrecourse debt	(14,890)	(30,938)
Proceeds from credit facility	108,000	—
Principal payments on credit facility	(18,953)	(4,169)
Principal payments on asset-backed nonrecourse notes	(2,688)	—
Payments on deferred funding obligations	(50,557)	—
Payment of deferred financing costs	(1,569)	—
Redemption of OP units	(1,621)	—
Repurchase of common stock	(205)	—
Payment of dividends	(8,634)	—
Distributions to non-controlling interest holders	(152)	—
Net cash provided by financing activities	79,111	154,357
Increase in cash and cash equivalents	6,845	6,785
Cash and cash equivalents at beginning of period	31,846	8,024
Cash and cash equivalents at end of period	$ 38,691	$ 14,809
Interest paid	$ 6,544	$ 4,189

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

JUNE 30, 2014

1. The Company

Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "Company") provides debt and equity financing for sustainable infrastructure projects that increase energy efficiency, provide cleaner energy sources, positively impact the environment or make more efficient use of natural resources. The Company and its subsidiaries are hereafter referred to as "we," "us," or "our."

Our principal business is providing or arranging financing of sustainable infrastructure projects. We refer to the financings that we hold on our balance sheet as our "Portfolio." Our Portfolio may include:

- Financing Receivables, such as sustainable infrastructure project loans, receivables and direct financing leases,
- Investments, such as sustainable infrastructure debt and equity securities, and
- Real Estate, such as land or other physical assets and related intangible assets used in sustainable infrastructure projects.

We finance our business through cash on hand, the securitization of receivables and equity and other debt financings. We also generate fee income for arranging financings that are held on the balance sheet of other parties, by providing broker/dealer or other financing related services to sustainable infrastructure project developers and by servicing assets owned by third parties.

On April 23, 2013, we completed our initial public offering ("IPO"). We sold a total of 14.2 million shares and raised net proceeds of approximately $160 million including the exercise by the underwriters of their option to purchase an additional 0.8 million shares on May 23, 2013. Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "HASI". Concurrently with the IPO, we completed a series of transactions, which are referred to as the formation transactions, that resulted in Hannon Armstrong Capital, LLC (the "Predecessor"), the entity that operated the historical business prior to the consummation of the IPO, becoming our subsidiary.

On April 29, 2014, we completed our first follow-on public offering in which we sold 5,750,000 shares of common stock (including 750,000 shares sold pursuant to the full exercise of the underwriters' option to purchase additional shares) at $13.00 per share, less the underwriting discount and estimated expenses, for net proceeds of $70.4 million.

We intend to elect and qualify to be taxed as real estate investment trust ("REIT") for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our taxable income to stockholders and maintain our qualification as a REIT. We operate our business through, and serve as the sole general partner of, our Operating Partnership subsidiary, Hannon Armstrong Sustainable Infrastructure, L.P, (the "Operating Partnership") which was formed to acquire and directly or indirectly own the Company's assets. We also intend to operate our business in a manner that will continue to permit us to maintain our exception from registration as an investment company under the 1940 Act.

To the extent any of the financial data included in this report is as of or from a period prior to April 23, 2013, such financial data is that of the Predecessor. The financial data for the Predecessor for such periods do not reflect the material changes to our business as a result of the capital raised in the IPO, including the broadened scope of projects targeted for financing, our enhanced financial structuring flexibility and our ability to retain a larger share of the economics from our origination activities. Accordingly, the financial data for the Predecessor is not necessarily indicative of our results of operations, cash flows or financial position following the completion of the IPO and formation transactions.

Recent Acquisition

On May 28, 2014, we entered into a Unit Purchase Agreement (the "Purchase Agreement") to acquire all of the outstanding member interests in AWCC from Northwharf Nominees Limited, DBD AWCC LLC, NGP Energy Technology Partners II, L.P. and C.C. Hinckley Company, LLC (collectively, the "Sellers") in exchange for approximately $106.9 million (the "Purchase Price"), which we funded from the use of our cash on hand and our existing credit facilities. Through this acquisition, we expanded our portfolio of sustainable infrastructure assets, including acquiring more than 7,500 acres of land with in-place land leases to three solar projects, which we have recorded as real estate, and the rights to payments from land leases for a diversified portfolio of 57 wind projects, which we have recorded as financing receivables. We did not assume any of AWCC's indebtedness in connection with the transaction. We accounted for our acquisition of AWCC as a business combination and incurred approximately $1.1 million of acquisition related costs, which we have expensed as acquisition costs in our condensed consolidated statement of operations. We recorded the AWCC assets acquired at fair value. We are using a qualified appraiser to assist us with the determination of the fair value estimates for the majority of the AWCC assets acquired and expect to finalize the purchase price allocation later this year based on a final working adjustment.

The preliminary purchase price allocation for this transaction, which reflects our estimates of the fair value of the assets acquired, is as follows:

	As of May 28, 2014 *(amounts in thousands)*
Financing receivables	$ 37,244
Real estate	50,318
Real estate lease intangibles	16,945
Goodwill	2,144
Other assets	212
Purchase Price	**$ 106,863**

In addition, we entered into a three-year mutually exclusive origination and servicing agreement with an entity owned by former employees and minority owners of AWCC. This entity will be referred to hereafter as "AWCC Capital." Under this agreement, AWCC Capital has agreed to (a) originate new similar transactions for our benefit and (b) service the existing and any new assets originated by them for our benefit. We paid approximately $0.6 million in cash as consideration for this agreement that will be amortized over the three year initial life of the agreement and will pay additional consideration in the future for new assets originated by AWCC Capital.

The operating results of AWCC are reflected in our condensed consolidated statement of operations from the date of acquisition forward.

2. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements reflect all normal and recurring adjustments that, in the opinion of management, are necessary for a fair presentation of the financial position, results of operations, comprehensive income (loss) and cash flows for the periods presented. The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the entire year. Certain information and footnote disclosures normally included in our annual consolidated financial statements have been condensed or omitted. Certain amounts in the prior year have been reclassified to conform to the current year presentation.

The condensed consolidated financial statements include the accounts of the Company and its controlled subsidiaries, including the Operating Partnership that was formed to acquire and directly or indirectly own the Company's assets. All significant intercompany transactions and balances have been eliminated in consolidation.

Following the guidance for non-controlling interests in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation*, references in this report to our earnings per share and our net income and shareholders' equity attributable to common shareholders do not include amounts attributable to non-controlling interests.

Financing Receivables

Financing receivables include financing sustainable infrastructure project loans, receivables and direct financing leases. We account for leases as direct financing leases in accordance with ASC 840, *Leases*.

Unless otherwise noted, we generally have the ability and intention to hold our financing receivables for the foreseeable future and thus they are classified as held for investment. Our intent and ability to hold certain financing receivables may change from time to time depending on a number of factors, including economic, liquidity and capital conditions. A financing receivable held for investment represents the present value of the note, lease or other payments, net of any unearned fee income, which is recognized as income over the term of the note or lease using the effective interest method. Financing receivables that are held for investment are carried at cost, net of unamortized acquisition premiums or discounts, loan fees, and origination and acquisition costs as applicable, unless the financing receivables are deemed impaired. Financing receivables that we intend to sell in the short-term are classified as held-for-sale and are carried at the lower of amortized costs or fair value on our balance sheet. We may secure non-recourse debt with the proceeds from our financing receivables.

We evaluate our financing receivables for potential delinquency or impairment on at least a quarterly basis and more frequently when economic or other conditions warrant such an evaluation. When a financing receivable becomes 90 days or more past due, and if we otherwise do not expect the debtor to be able to service all of its debt or other obligations, we will generally consider the financing receivable delinquent or impaired and place the financing receivable on non-accrual status and cease recognizing income from that financing receivable until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a financing receivable's status significantly improves regarding the debtor's ability to service the debt or other obligations, we will remove it from non-accrual status.

A financing receivable is also considered impaired as of the date when, based on current information and events, it is determined that it is probable that we will be unable to collect all amounts due in accordance with the original contracted terms. Many of our financing receivables are secured by sustainable infrastructure projects. Accordingly, we regularly evaluate the extent and impact of any credit deterioration associated with the performance and/or value of the underlying project, as well as the financial and operating capability of the borrower, its sponsors or the obligor as well as any guarantors. We consider a number of qualitative and quantitative factors in our assessment, including, as appropriate, a project's operating results, loan-to-value ratios and any cash reserves, the ability of expected cash from operations to cover the cash flow requirements currently and into the future, key terms of the transaction, the ability of the borrower to refinance the transaction, other credit support from the sponsor or guarantor and the project's collateral value. In addition, we consider the overall economic environment, the sustainable infrastructure sector, the effect of local, industry, and broader economic factors, the impact of any variation in weather and the historical and anticipated trends in interest rates, defaults and loss severities for similar transactions.

If a financing receivable is considered to be impaired, we record an allowance to reduce the carrying value of the financing receivable to the present value of expected future cash flows discounted at the financing receivable's contractual effective rate or the amount realizable from other contractual terms such as the currently estimated fair market value of the collateral less estimated selling costs, if repayment is expected solely from the collateral. We write off financing receivables against the allowance when we determine the unpaid principal balance is uncollectible, net of recovered amounts.

Investments

Investments include debt or equity securities that meet the criteria of ASC 320,*Investments—Debt and Equity Securities*. As a result of the sale of certain debt securities previously designated as held-to-maturity during the quarter ended June 30, 2014, we have designated our debt securities as available-for-sale and will carry these securities at fair value on our balance sheet at June 30, 2014. Unrealized gains and losses, to the extent not considered other than temporary impairment ("OTTI"), on available-for-sale debt securities are recorded as a component of accumulated other comprehensive income (loss) ("OCI") in equity on our balance sheet. Previously, we recorded our debt securities as held-to-maturity and thus had carried these securities on the balance sheet at amortized cost, which is initially at cost plus any premiums or less any discounts that are amortized or accreted from or into investment interest income using the effective interest method.

We evaluate our investments for OTTI on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. Our OTTI assessment is a subjective process requiring the use of judgments and assumptions. Accordingly, we regularly evaluate the extent and impact of any credit deterioration associated with the financial and operating performance and/or value of the underlying project. We consider a number of qualitative and quantitative factors in our assessment. We first consider the current fair value of the security and the duration of any unrealized loss. Other factors considered include changes in the credit rating, performance of the underlying project, key terms of the transaction and support provided by the sponsor or guarantor.

To the extent that we have identified an OTTI for a security and intend to hold the investment to maturity and we do not expect that we will be required to sell the security prior to recovery of the amortized cost basis, we recognize only the credit component of OTTI in earnings. We determine the credit component using the difference between the securities' amortized cost basis and the present value of its expected future cash flows, discounted using the effective interest method or its estimated collateral value. Any remaining unrealized loss due to factors other than credit, or the non-credit component, is recorded in accumulated OCI.

To the extent we hold investments with an OTTI and if we have made the decision to sell the security or it is more likely than not that we will be required to sell the security prior to recovery of its amortized cost basis, we recognize the entire portion of the impairment in earnings.

Premiums or discounts on investment securities are amortized or accreted into investment interest income using the effective interest method.

Real Estate

Real estate reflects land or other real estate held on our balance sheet. Real estate intangibles reflect the value of associated lease intangibles, net of any amortization. In accordance with ASC 840, *Business Combinations*, the fair value of the real estate acquired in a business combination with in-place leases is allocated to the acquired tangible assets, consisting of land or other real property such as buildings, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases and the value of other acquired intangible assets, based in each case on their fair values.

The fair value of the tangible assets of an acquired leased property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land, building and tenant improvements, if any, based on the determination of the fair values of these assets. The as-if-vacant fair value of a property was determined by management based on an appraisal of the property by a qualified appraiser.

In allocating the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded as intangible assets based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases, and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining term of the lease, including the probability of renewal periods. The capitalized above-market lease values are amortized as a reduction of rental income and the capitalized below-market lease values are amortized as an increase to rental income. The aggregate value of other acquired intangible assets consists of in-place leases. The value of the leases in place at the time of

the transaction is equal to the potential revenue (rent and expenses) lost if the leases were not in place (during downtime) and that would be incurred to obtain the lease. The amortization is calculated over the initial term unless management believes that it is likely that the tenant would exercise the renewal option whereby we would amortize the value attributable to the renewal over the renewal period. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be written off.

We record the acquisition of real estate, other than in a business combination, at cost, including acquisition and closing costs.

Our real estate is generally leased to tenants on a net lease basis, whereby the tenant is responsible for all operating expenses relating to the property, generally including property taxes, insurance, maintenance, repairs and capital expenditures. Revenue is recognized as rentals are earned and expenses (if any) are charged to operations as incurred. When scheduled rental revenue varies during the lease term, income is recognized on a straight-line basis, unless there is considerable risk as to collectability, so as to produce a constant periodic rent over the term of the lease. Accrued rental income is the aggregate difference between the scheduled rents which vary during the lease term and the income recognized on a straight-line basis and is recorded in other assets.

Securitization of Receivables

We have established various special purpose entities or securitization trusts for the purpose of securitizing certain financing receivables or other debt investments. We determined that the trusts used in securitizations are variable interest entities, as defined in ASC 810, *Consolidation*. We typically serve as primary or master servicer of these trusts; however, as the servicer, we do not have the power to make significant decisions impacting the performance of the trusts. Based on an analysis of the structure of the trusts, under U.S. GAAP, we have concluded that we are not the primary beneficiary of the trusts as we do not have power over the trusts' significant activities. Therefore, we do not consolidate these trusts in our condensed consolidated financial statements.

We account for transfers of financing receivables to these securitization trusts as sales pursuant to ASC 860,*Transfers and Servicing*, as the transferred receivables have been isolated from the transferor (i.e., put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership) and we have surrendered control over the transferred receivables. When we sell receivables in securitizations, we generally retain interests in the form of servicing rights and residual assets, which are carried on the condensed consolidated balance sheets as securitization assets.

Gain or loss on sale of receivables is calculated based on the excess of the proceeds received from the securitization (less any transaction costs) plus any retained interests obtained over the cost basis of the receivables sold. We generally transfer the receivables to securitization trusts immediately upon the initial funding from the third party purchasing a beneficial interest in the trust. For retained interests, we generally estimate fair value based on the present value of future expected cash flows using our best estimates of the key assumptions of anticipated losses, prepayment rates, and discount rates commensurate with the risks involved.

As described above, we initially account for all separately recognized servicing assets and servicing liabilities at fair value as required under ASC 860. Under ASC 860-50, *Transfers and Servicing—Servicing Assets and Liabilities*, entities may either subsequently measure servicing assets and liabilities using the amortization method or the fair value measurement method and we have selected the amortization method to subsequently measure our servicing assets. We assess servicing assets for impairment at each reporting date. If the amortized cost of servicing assets is greater than the estimated fair value, we will recognize an impairment in net income.

Our other retained interest in securitized assets, the residual assets, are classified as available-for-sale securities and carried at fair value on the condensed consolidated balance sheets. We generally do not sell our residual assets. If we make an assessment that (i) we do not intend to sell the security or (ii) it is not likely we will be required to sell the security before its anticipated recovery, changes in fair value, such as those resulting from changes in market interest yield requirements, are reported as a component of accumulated OCI. However, in the case where we do intend to sell our residual assets or if the fair value of our residual assets is below the current carrying amount and we determine that the decline is OTTI, any impairment charge would be recorded through the statement of operations. An OTTI is considered to have occurred when, based on current information and events, there has been an adverse change in the timing or amount of cash flows expected to be collected. The impairment is

equal to the difference between the residual asset's amortized cost basis and its fair value at the balance sheet date. In the case where there is any expected decline in the forecasted cash flows, such decline would be unlikely to reverse during the holding period of the retained assets and thus would be considered OTTI.

Servicing income is recognized as earned. Servicing assets are amortized in proportion to, and over the period of, estimated net servicing income, and are periodically assessed for impairment.

Interest income related to the residual assets is recognized using the effective interest rate method. If there is a change in expected cash flows related to the residual assets, we calculate a new yield based on the current amortized cost of the residual assets and the revised expected cash flows. This yield is used prospectively to recognize interest income.

Modifications to Debt

We evaluate any modifications to our debt in accordance with the applicable guidance in ASC 470-50*Debt Modifications and Extinguishments.* If the debt instruments are substantially modified, the modification is accounted for in the same manner as a debt extinguishment (i.e., a major modification) and the fees paid are recognized as expense at the time of the modification. Otherwise, such fees are deferred and amortized as an adjustment of interest expense over the remaining term of the modified debt instrument using the interest method.

Cash and Cash Equivalents

Cash and cash equivalents include short-term government securities, certificates of deposit and money market funds, all of which had an original maturity of three months or less at the date of purchase. These securities are carried at their purchase price, which approximates fair value.

Restricted Cash

Restricted cash include cash and cash equivalents set aside with certain lenders primarily to support deferred funding and other obligations outstanding at the balance sheet dates.

Income Taxes

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we currently distribute at least 90% of our net taxable income, excluding capital gains, to our shareholders. We intend to meet the requirements for qualification as a REIT and to maintain such qualification. As a REIT, we are not subject to U.S. federal corporate income tax on that portion of net income that is currently distributed to our owners. However, our taxable REIT subsidiaries ("TRS") will generally be subject to U.S. federal, state, and local income taxes as well as taxes of foreign jurisdictions, if any.

We account for income taxes of our TRS using the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in earnings in the period when the new rate is enacted.

Prior to the completion of the IPO, the Predecessor was taxed as a partnership for U.S. federal income tax purposes. No provision for federal or state income taxes has been made for the period prior to our IPO since our profits and losses were reported on the Predecessor's members' tax returns.

We apply accounting guidance with respect to how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. This guidance requires the accounting and disclosure of tax positions taken or expected to be taken in the course of preparing our tax returns to determine whether the tax positions are "more likely than not" to be sustained by the applicable tax authority. We are required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which includes U.S. federal and

certain states. We have no examinations in progress, none are expected at this time, and years 2010 through 2013 are open. As of June 30, 2014 and December 31, 2013, we had no uncertain tax positions. Our policy is to recognize interest expense and penalties related to income tax matters as a component of other expense. There was no accrued interest and penalties as of June 30, 2014 and December 31, 2013, and no interest and penalties were recognized during the three and six months ended June 30, 2014 and 2013.

Equity-Based Compensation

We recorded compensation expense for stock awards in accordance with ASC 718,*Compensation—Stock Compensation*, which requires that all equity-based payments to employees be recognized in the condensed consolidated statements of operations, based on their grant date fair values with the expense being recognized over the requisite service period.

At the time of completion of our IPO, we adopted our 2013 Equity Incentive Plan (the "2013 Plan"), which provides for grants of stock options, stock appreciation rights, restricted stock units, shares of restricted common stock, phantom shares, dividend equivalent rights, long-term incentive-plan units ("LTIP units") and other restricted limited partnership units issued by our Operating Partnership and other equity-based awards. From time to time, we may award unvested restricted shares as compensation to members of our senior management team, our independent directors, advisors, consultants and other personnel under our 2013 Plan. Under the 2013 Plan, we have granted service based awards to certain employees and directors. The shares issued under this plan vest over a period of time as determined by the board of directors at the date of grant. We recognize compensation expense for unvested shares that vest solely based on service conditions on a straight-line basis over the vesting period based upon the fair market value of the shares on the date of grant, adjusted for forfeitures.

Under the 2013 Plan, we granted performance based restricted stock awards to certain employees. The fair value of the performance based awards is measured by the market price of our common stock on the date of the grant. The vesting of these awards is contingent upon achievement of certain performance targets at the end of specified performance periods and the employees' continued employment. The performance conditions affect the number of shares that will ultimately vest. The range of possible stock-based award vesting is generally between 0% and 150% of the initial target. If minimum performance targets are not attained then no awards will vest under the agreement. Compensation expense related to these awards is recognized based upon the fair market value of the shares on the date of grant over the requisite service period and based on our estimate of the achievement of the various performance targets, adjusted for forfeitures. We currently estimated that 100% of the various award targets will be achieved.

Earnings Per Share

We compute earnings per share of common stock in accordance with ASC 260,*Earnings Per Share*. Basic earnings per share is calculated by dividing net income attributable to controlling stockholders (after consideration of the earnings allocated to unvested shares of restricted common stock or restricted stock units) by the weighted-average number of shares of common stock outstanding during the period excluding the weighted average number of unvested shares of restricted common stock or restricted stock units ("participating securities" as defined in Note 12). Diluted earnings per share is calculated by dividing net income attributable to controlling stockholders by the weighted-average number of shares of common stock outstanding during the period plus other potentially dilutive securities. No adjustment is made for shares that are anti-dilutive during a period.

Due to the capital structure of the Predecessor, earnings per share of common stock information has not been presented for historical periods prior to the IPO.

Segment Reporting

We provide and arrange debt and equity financing for sustainable infrastructure projects and report all of our activities as one business segment.

Recently Issued Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09,*Revenue from Contracts with Customers*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. Early adoption is not permitted. The updated standard becomes effective for us beginning in the quarter ending March 31, 2017. We have not yet selected a transition method, and we are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosure.

Compensation – Stock Compensation

In June 2014, the FASB issued ASU No. 2014-12,*Compensation—Stock Compensation*, which amends and updates the guidance in ASC 718, as it relates to the accounting for awards with performance conditions that affect vesting after the service. The amendment provides explicit accounting guidance for when an employee is eligible to retire or otherwise terminate employment before the end of the period in which a performance target (for example, an initial public offering or a profitability target) could be achieved and still be eligible to vest in the award if and when the performance target is achieved. The amendment is effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period and is to be applied either retrospectively to all existing performance targets outstanding or prospectively for all awards granted or modified after the effective date, with early application permitted. We are evaluating the new standard, but do not at this time expect this standard to have a material impact on our consolidated financial statements.

3. Fair Value Measurements

Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value accounting guidance provides a three-level hierarchy for classifying financial instruments. The levels of inputs used to determine the fair value of our financial assets and liabilities carried on the balance sheet at fair value and for those which only disclosure of fair value is required are characterized in accordance with the fair value hierarchy established by ASC 820, *Fair Value Measurements.* Where inputs for a financial asset or liability fall in more than one level in the fair value hierarchy, the financial asset or liability is classified in its entirety based on the lowest level input that is significant to the fair value measurement of that financial asset or liability. We use our judgment and consider factors specific to the financial assets and liabilities in determining the significance of an input to the fair value measurements. As of June 30, 2014 and December 31, 2013, only our residual assets, financing receivables held-for-sale and investments available-for-sale, if any, were carried at fair value on the condensed consolidated balance sheets on a recurring basis. The three levels of the fair value hierarchy are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3—Unobservable inputs are used when little or no market data is available.

	As of June 30, 2014		
	Fair Value	Carrying Value	Level
	(amounts in millions)		
Assets			
Financing receivables[1]	$ 475.2	$ 456.1	Level 3
Investments available-for-sale[2]	67.6	67.6	Level 3
Residual assets	5.1	5.1	Level 3
Liabilities			
Credit facility	$ 166.2	$ 166.2	Level 3
Nonrecourse debt	153.1	145.0	Level 3
Asset-backed nonrecourse notes	97.6	97.4	Level 3

(1) Financing receivables includes $0.8 million, which represents the net fair value of collateral related to an impaired loan. The allowance for loan losses included in the carrying value of the financing receivables was $11.0 million as of June 30, 2014.
(2) The amortized costs of our investments available-for-sale as of June 30, 2014 was $63.8 million.

	As of December 31, 2013		
	Fair Value	Carrying Value	Level
	(amounts in millions)		
Assets			
Financing receivables(1)	$ 346.4	$ 347.9	Level 3
Investments	92.0	92.0	Level 3
Financing receivables held-for-sale	24.8	24.8	Level 3
Investments available-for-sale	3.2	3.2	Level 3
Residual assets	4.9	4.9	Level 3
Liabilities			
Credit facility	$ 77.1	$ 77.1	Level 3
Nonrecourse debt	167.1	159.8	Level 3
Asset-backed nonrecourse notes	99.8	100.0	Level 3

(1) Financing receivables includes $0.8 million, which represents the net fair value of collateral related to an impaired loan. The allowance for loan losses included in the carrying value of the financing receivables was $11.0 million as of December 31, 2013.

Financing Receivables and Investments

The fair value of financing receivables and investments is measured using a discounted cash flow model and Level 3 unobservable inputs. The significant unobservable inputs used in the fair value determination of our financing receivables and investments are discount rates and interest rates in recent comparable transactions. Significant increases in discount rates and recent comparable transactions would result in a significantly lower fair value. Significant decreases in discount rates and recent comparable transactions in isolation would result in a significantly higher fair value.

During the three months ended June 30, 2014, as part of our portfolio management process, we sold certain investments designated as held-to-maturity for $15.5 million with a carrying value of $14.7 million and realized a gain on sale of these investments of $0.8 million. As a result, we have transferred all of our remaining investments in debt securities to investments available-for-sale at fair value. After the transfer of our debt securities to available-for-sale, we sold certain available-for-sale debt securities with a fair value of $20.7 million and a cost of $19.6 million and realized a gain on sale of these investments of $1.1 million. The following table reconciles the beginning and ending balances for our Level 3 investments available-for-sale that are carried at fair value:

	For the three and six months ended June 30,	
	2014	2013
	(amounts in millions)	
Balance, beginning of period	**$ —**	**$ —**
Transfers to / purchases of available-for-sale debt securities	83.5	—
Sale of available-for-sale debt securities	(20.7)	—
Unrealized gain on debt securities transferred to available for sale	5.0	—
Unrealized (loss) on debt securities holdings	(0.2)	—
Balance, end of period	**$ 67.6**	$ —

Credit Facility

The fair values of the credit facility are determined using a discounted cash flow model and Level 3 unobservable inputs. The significant unobservable inputs used in the fair value determination of our credit facility are discount rates. Significant increases in discount rates would result in a significantly lower fair value. Significant decreases in discount rates in isolation would result in a significantly higher fair value.

Asset-Backed Nonrecourse Notes and Other Nonrecourse Debt

The fair values of our nonrecourse debt are determined using a discounted cash flow model and Level 3 inputs. The significant unobservable inputs used in the fair value determination of our nonrecourse debt are discount rates and interest rates in recent comparable transactions. Significant increases in discount rates would result in a significantly lower fair value. Significant decreases in discount rates and recent comparable transactions in isolation would result in a significantly higher fair value.

Residual Assets

As of June 30, 2014 and December 31, 2013, we had residual assets, which are included in the securitization assets line item in the condensed consolidated balance sheets, relating to our retained interests in securitized receivables. Due to the lack of actively traded market data, the valuation of these residual assets was based on Level 3 unobservable inputs. The significant unobservable inputs used in the fair value measurement of our residual assets are estimated securitization cash flows, potential default rates and comparable transactions in related assets of public companies. The observable inputs include published U.S government interest rates. The discount rates considered, based on observations of market participants on other government-issued securitization transactions, range from 7% to 15%. Based on the high credit quality of the obligors under our underlying assets and our estimates of potential default and prepayment rates, we have used discount rates of 8% to 10% to determine the fair market value of our residual assets. Significant increases in U.S. Treasury rates or default and prepayment rates would, in isolation, result in a significantly lower fair value measurement. See Note 5 regarding servicing assets and the residual asset sensitivity analysis.

The following table reconciles the beginning and ending balances for our Level 3 residual assets carried at fair value:

	For the three months ended June 30,		For the six months ended June 30,	
	2014	2013	2014	2013
	(amounts in thousands)			
Balance, beginning of period	$ 4,490	$ 4,436	$ 4,863	$ 4,639
Accretion	135	118	284	246
Additions	661	10	661	10
Collections	(115)	(249)	(624)	(371)
Unrealized (loss) gain on residual assets	(33)	127	(46)	(82)
Balance, end of period	**$ 5,138**	**$ 4,442**	**$ 5,138**	**$ 4,442**

Recent Acquisitions

In connection with the AWCC acquisition, the assets acquired were recorded at their fair value. We used a third party valuation firm to assist us with developing our estimates of fair value. The fair value of land was based on comparable land sales and the fair value of the financial assets was based on a comparison of market yields for similar assets. All the valuations are Level 3 estimates.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk are principally cash and cash equivalents. As of June 30, 2014 and December 31, 2013, we had cash deposits held in U.S. banks of $48.2 million and $81.7 million, respectively. Included in these balances are $46.8 million and $80.8 million in bank deposits, respectively, in excess of amounts federally insured.

Financing receivables, investments and leases consist of primarily U.S. government-backed receivables, investment grade state and local government receivables and receivables from various sustainable infrastructure projects and do not, in our view, represent a significant concentration of credit risk. See Note 6 for an analysis by type of obligor.

4. **Non-Controlling Interest**

Non-Controlling Interest in Consolidated Entities

Units of limited partnership interests in the Operating Partnership ("OP units") that are owned by other limited partners are included in non-controlling interest on our condensed consolidated balance sheets. As of June 30, 2014, the Operating Partnership had 23,091,209 OP units outstanding, of which 98.5% were owned by us and 1.5% were owned by other limited partners. The outstanding OP units held by outside limited partners are redeemable for cash, or at our option, for a like number of shares of our common stock.

In January 2014, we agreed to not exercise our right under the Operating Partnership agreement to deliver shares of our common stock in lieu of cash upon a request for redemption of OP units held our limited partners and instead agreed to redeem such OP units for cash until such time that we have an effective registration statement covering the resale of shares of our common stock issuable upon exchange of OP units held by such limited partners. As a result, we are reporting our non-controlling interest that is redeemable for cash outside of equity as of June 30, 2014. During the three and six months ended June 30, 2014, we redeemed 7,406 and 119,983 OP units held by our non-controlling interest holders for cash of $0.1 million and $1.6 million, respectively. Our remaining non-controlling interest holders held 342,392 OP units as of June 30, 2014.

The following is an analysis of the controlling and non-controlling interest from December 31, 2013, to June 30, 2014:

	Controlling Interest	Non-Controlling Interest Holders	Total
		(amounts in thousands)	
Total Non-Controlling Interest and Equity—December 31, 2013	$ 146,525	$ 4,099	$150,624
Net income attributable to interest holders	5,581	107	5,688
Issuance of common stock	70,379	—	70,379
Redemption of OP units	(557)	(1,064)	(1,621)
Repurchase of common stock	(205)	—	(205)
Equity-based compensation	1,938	32	1,970
Distributions	(8,634)	(152)	(8,786)
Change in accumulated other comprehensive income	2,196	42	2,238
Tax basis difference on contributed asset	1,818	39	1,857
Redemption value change for non-controlling interest redeemable for cash	(1,815)	1,815	—
	217,226	4,918	222,144
Less Non-Controlling Interest Redeemable for cash	—	**(4,918)**	**(4,918)**
Total Non-Controlling Interest and Equity—June 30, 2014	**$ 217,226**	**$ —**	**$217,226**

The following is an analysis of the controlling and non-controlling interest from April 23, 2013, the date of our IPO, to June 30, 2013:

	Controlling Interest	Non-Controlling Interest Holders	Total
		(amounts in thousands)	
Equity immediately after IPO	$ 168,266	$ —	$168,266
Establishment of non-controlling interest during formation transaction	(4,649)	4,649	—
Net loss attributable to interest holders	(4,972)	(141)	(5,113)
Change in accumulated other comprehensive income	92	3	95
Total Non-Controlling Interest and Equity—June 30, 2013	**$ 158,737**	**$ 4,511**	**$163,248**

Allocation of Profit and Loss and Cash Distributions prior to our IPO

Prior to the IPO, all profits, losses and cash distributions of the Predecessor were allocated based on the percentages as follows:

	Prior to April 23, 2013
MissionPoint HA Parallel Fund, L.P.	70%
Jeffrey W. Eckel, Chief Executive Officer	18%
Other management and employees of the Predecessor	12%

Upon the completion of the IPO, the Preferred Units and Common Units in the Predecessor were exchanged for shares of our common stock or OP units in the Operating Partnership, or for certain unit holders in the Predecessor, were redeemed for cash.

5. **Securitization of Receivables**

We sold financing receivables in securitization transactions, recognizing gains of $2.4 million and $4.4 million for the three and six months ended June 30, 2014, respectively, as compared to $0.9 million for both the three and six months ended June 30, 2013. In connection with securitization transactions, we retained servicing responsibilities and residual assets. In certain instances, we receive annual servicing fees ranging from 0.05% to 0.20% of the outstanding balance. The investors and the securitization trusts have no recourse to our other assets for failure of debtors to pay when due. Our residual assets are subordinate to investors' interests, and their values are subject to credit, prepayment and interest rate risks on the transferred financial assets.

The fair values of retained assets, including the discount rates used in valuing those assets and the sensitivity to an increase in the discount rates of 5% and 10%, as of June 30, 2014, and December 31, 2013, were as follows:

	June 30, 2014	
	Servicing	Residual Assets
	(amounts in thousands)	
Amortized cost basis	$ 1,083	$ 5,072
Fair value	$ 1,212	$ 5,138
Weighted-average life in years	8	7 to 19
Discount rate	8%	8 to 10%
Fair value that would be decreased based on hypothetical adverse changes in discount rates:		
5% change in discount rate	$ 241	$ 1,362
10% change in discount rate	$ 394	$ 2,128

	December 31, 2013	
	Servicing	Residual Assets
	(amounts in thousands)	
Amortized cost basis	$ 1,281	$ 4,750
Fair value	$ 1,407	$ 4,863
Weighted-average life in years	8	6 to 19
Discount rate	8%	8% to 10%
Fair value that would be decreased based on hypothetical adverse changes in discount rates:		
5% change in discount rate	$ 255	$ 1,194
10% change in discount rate	$ 418	$ 1,842

In computing gains and losses on securitizations, the discount rates were consistent with the discount rates presented in the above table. Based on the nature of the receivables and experience-to-date, we do not currently expect to incur any credit losses on the receivables sold.

The following is an analysis of certain cash flows between us and the securitization trusts:

	For the Six Months Ended June 30,	
	2014	2013
	(amounts in thousands)	
Purchase of receivables securitized	$110,225	$38,360
Proceeds from securitizations	$114,601	$39,244
Servicing fees received	$ 397	$ 393
Cash received from residual assets	$ 624	$ 371

As of June 30, 2014 and December 31, 2013, our managed assets totaled $2.2 billion and $2.1 billion, respectively, of which $1.6 billion and $1.6 billion were securitized. There were no securitization credit losses in the three months ended June 30, 2014 or 2013, and no material securitization delinquencies as of June 30, 2014 and December 31, 2013.

6. **Our Portfolio – Financing Receivables, Investments and Real Estate**

As of June 30, 2014, our Portfolio included approximately $591 million of financing receivables, investments and real estate on our balance sheet. The financing receivables and investments are typically collateralized contractually committed debt obligations of government entities or private high credit quality obligors and are often supported by additional forms of credit enhancement, including security interests and supplier guaranties. The real estate is typically land and related lease intangibles for long-term leases to sustainable infrastructure projects with high credit quality obligors.

The following is an analysis of our Portfolio by type of obligor and credit quality as of June 30, 2014.

	Investment Grade					
	Federal[1]	State, Local, Institutions[2]	Commercial Externally Rated[3]	Commercial Rated Internally[4]	Commercial Other[5]	Total
	(amounts in millions, except for percentages)					
Financing receivables	$ 195.9	$ 73.8	$ 22.0	$ 163.5	$ 0.8	$456.0
Investments available-for-sale	—	—	43.3	7.8	16.6	67.7
Real estate[6]	—	—	—	67.2	—	67.2
Total	$ 195.9	$ 73.8	$ 65.3	$ 238.5	$ 17.4	$590.9
% of Total Portfolio	33.1%	12.5%	11.1%	40.4%	2.9%	100.0%
Average Balance[7]	$ 7.7	$ 24.6	$ 21.8	$ 13.3	$ 16.6	$ 11.7

(1) Transactions where the ultimate obligor is the U.S. Federal Government. Transactions may have guaranties of energy savings from third party service providers, the majority of which are investment grade rated entities.
(2) Transactions where the ultimate obligors are state or local governments or institutions such as hospitals or universities where the obligors are rated investment grade (either by an independent rating agency or based upon our credit analysis). Transactions may have guaranties of energy savings from third party service providers, the majority of which are investment grade rated entities.
(3) Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade by one or more independent rating agencies. This includes an investment grade rated debt security with a fair value of $38.2 million that matures in 2035 whose obligor is an entity whose ultimate parent is Berkshire Hathaway Inc.
(4) Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade using our internal credit analysis.
(5) Transactions where the projects or the ultimate obligors are commercial entities that have ratings below investment grade either by an independent rating agency or using our internal credit analysis. Financing receivables are net of an allowance for credit losses of $11.0 million. Investments include a senior debt investment of $16.6 million on a wind project that is owned by NRG Energy, Inc.
(6) Includes the real estate and the related lease intangible assets.
(7) Average Remaining Balance excludes 66 transactions each with outstanding balances that are less than $1.0 million and that in the aggregate total $16.5 million.

The components of financing receivables of June 30, 2014 and December 31, 2013, were as follows:

	June 30, 2014	December 31, 2013
	(amounts in thousands)	
Financing receivables		
Financing or minimum lease payments[1]	$ 717,880	$ 504,688
Unearned interest income	(247,497)	(142,366)
Allowance for credit losses	(11,000)	(11,000)
Unearned fee income, net of initial direct costs	(3,310)	(3,451)
Financing receivables[1]	**$ 456,073**	**$ 347,871**

(1) Excludes $24.8 million in financing receivables held-for-sale at December 31, 2013 and that were securitized in the three months ended March 31, 2014

In accordance with the terms of certain financing receivables purchase agreements, payments of the purchase price is scheduled to be made over time, generally within twelve months of entering into the transaction,

and as a result, we have recorded deferred funding obligations of $15.4 million and $74.7 million as of June 30, 2014 and December 31, 2013, respectively. We have $9.6 million and $49.9 million in restricted cash as of June 30, 2014 and December 31, 2013, respectively, that will be used to pay these funding obligations.

During the first quarter ended March 31, 2014, we sold a debt security of $3.2 million that was recorded at fair value and classified as available-for-sale as of December 31, 2013. The fair value of the debt security approximated its carrying value as of December 31, 2013. During the three months ended June 30, 2014, as part of our portfolio management process, we sold certain investments designated as held-to-maturity for $15.5 million with a carrying value of $14.7 million and realized a gain on sale of these investments of $0.8 million. As a result, we transferred all of our remaining investments in debt securities to investments available-for-sale at fair value. After this transfer, we sold certain available-for-sale debt securities with a fair value of $20.7 million and a cost of $19.6 million and realized a gain on sale of these investments of $1.1 million. As of June 30, 2014, all of our investments in debt securities are classified as investments available for sale and we are carrying them on our balance sheet at fair value. There were no investments in an unrealized loss position as of June 30, 2014 or December 31, 2013.

The components of our real estate portfolio as of June 30, 2014 and December 31, 2013, were as follows:

	June 30, 2014	December 31, 2013
	(amounts in thousands)	
Real Estate		
Land	$ 50,318	$ —
Lease Intangibles	16,945	—
Accumulated amortization of lease intangibles	(38)	—
Real Estate	**$ 67,225**	**$ —**

Our acquisition of AWCC resulted in the recognition of land of $50.3 million and an intangible asset for favorable land leases of $16.9 million that will be amortized on a straight-line basis over the lease terms with expirations dates that range between the years 2052 and 2061 assuming expected extensions. There is an conservation easement agreement covering one of the properties acquired that limits the use of the property at the expiration of the lease which is expected to be in 2061. As of June 30, 2014, the future amortization expense to be recognized related to these intangible assets is:

Year Ending December 31,	(Amounts in Thousands)
2014	$ 206
2015	413
2016	413
2017	413
2018	413
2019	413
Thereafter	14,636
Total	**$ 16,907**

The following table provides a summary of our anticipated maturity dates of our financing receivables and investments for each range of maturities as of June 30, 2014:

	Total	Less than 1 year	1-5 years	5-10 years	More than 10 years
		(amounts in thousands)			
Financing Receivables					
Payment due by period	$456,073	$ 1,845	$89,083	$ 18,034	$347,111
Investments available-for-sale					
Payment due by period	$ 67,640	$ —	$16,552	$ —	$ 51,088

Our real estate is rented under long term land lease agreements with expiration dates that range between the years 2041 and 2043 under the initial terms and 2052 and 2061 assuming expected extensions. As of June 30, 2014, the future minimum rental income under our land lease agreements is as follows:

Year Ending December 31,	(Amounts in Thousands)
2014	$ 2,443
2015	4,886
2016	4,886
2017	4,886
2018	4,886
2019	4,886
Thereafter	173,625
Total	**$ 200,498**

In December 2013, we recorded an allowance of $11.0 million on the remaining $11.8 million balance of a $24 million loan made in May 2013 to a wholly owned subsidiary of EnergySource LLC ("EnergySource") to be used for a geothermal project. The loan's average outstanding balance for the three and six months ended June 30, 2014 was $11.8 million. No interest income was accrued or collected in cash on the loan for the three and six months ended June 30, 2014. For the three and six months ended June 30, 2013, we recorded income from EnergySource for investment banking and management services of $0.4 million and $0.5 million, respectively. The project is considered a variable interest entity and the maximum exposure to loss is the net balance of $0.8 million, which represents our current estimate of the realizable sale value of tangible project assets. As previously disclosed, certain of our executive officers and directors own an indirect minority interest in EnergySource following the distribution of the Predecessor's ownership interest prior to our IPO. We continue to pursue recovery options relating to this loan.

We had no other financing receivables, investments or leases on nonaccrual status as of June 30, 2014 and December 31, 2013. There was no provision for credit losses for the three and six months ended June 30, 2014, or June 30, 2013. We evaluate any modifications to our financing receivables in accordance with the guidance in ASC 310, *Receivables*. We evaluate modifications of financing receivables to determine if the modification is more than minor, whereby any related fees, such as prepayment fees, would be recognized in income at the time of the modification. We did not have any loan modifications that qualify as trouble debt restructurings for the three months and six months ended June 30, 2014 or 2013.

7. Credit Facility

In July 2013, we entered into a $350 million senior secured revolving credit facility through newly-created, wholly-owned special purpose subsidiaries (the "Borrowers"). In November 2013, the PF Loan Agreement (as defined below) was amended to provide us with the flexibility to negotiate an alternative interest rate margin on certain loans with the approval of the administrative agent. In May 2014, we amended the PF Loan Agreement to increase its overall borrowing capacity by $200 million to $500 million, increase the maximum borrowings allowed at any point in time in the facility by $100 million to $250 million and expand the collateral eligibility criteria to reflect current market opportunities in distributed energy assets. In August, 2014, we entered into an amended and restated loan agreement which a) incorporated the terms of the first two amendments, b) added additional subsidiaries as Borrowers, c) provided for a fixed rate loan option and d) modified the timing of borrowings on certain projects. We have guaranteed the obligations of the Borrowers under each of the Loan Agreements pursuant to (x) a Continuing Guaranty, dated July 19, 2013, (y) a Limited Guaranty, dated July 19, 2013. As part of our August 2014 amendment, we entered into amended and restated versions of these guaranties.

The terms of the credit facility are set forth in the Loan Agreement (G&I) (the "G&I Loan Agreement") and the Loan Agreement (PF) and related amendments (the "PF Loan Agreement", and together with the G&I Loan Agreement, the "Loan Agreements") and provide for senior secured revolving credit facilities with total maximum advances of $900 million (i) in the case of the G&I Loan Agreement, in the principal amount of $200 million to be used to leverage certain qualifying government and institutional financings entered into by us, with maximum total advances (without giving effect to prepayments or repayments) of $400 million, and (ii) in the case of the PF Loan Agreement, in the principal amount of $250 million to be used to leverage certain qualifying project financings entered into by us, with maximum total advances (without giving effect to prepayments or repayments) of $500 million. The scheduled termination date of each of the Loan Agreements is July 19, 2018. Loans under the G&I Loan Agreement bear interest at a rate equal to the London Interbank Offered Rate ("LIBOR") plus 1.50% or, under certain circumstances,

the Federal Funds Rate plus 1.50%. Loans under the PF Loan Agreement bear interest at a rate equal to LIBOR plus 2.50% or, under certain circumstances, the Federal Funds Rate plus 2.50%, or a specifically negotiated rate on certain loans as approved by the administrative agent. We also have the option of a loan where the rate is fixed until the expiration of the credit facility in July 2018. The fixed rate is determined by agreement between the Borrower and Administrative Agent and is based on the prevailing US SWAP rate of an equivalent term to the average-life of the fixed rate portion of the borrowing plus an agreed upon margin.

Any financing we proposed to be included in the borrowing base as collateral under the Loan Agreements will be subject to the approval of the administrative agent in its sole discretion. The amount eligible to be drawn under the Loan Agreements for purposes of financing such investments will be based on a discount to the value of each investment or an applicable valuation percentage. Under the G&I Loan Agreement, the applicable valuation percentage for non-delinquent investments is 80% in the case of a U.S. Federal Government obligor, 75% in the case of an institutional obligor or a state and local obligor, and with respect to other obligors or in certain circumstances, such other percentage as the administrative agent may prescribe. Under the PF Loan Agreement, the applicable valuation percentage is 67% or such other percentage as the administrative agent may prescribe. The sum of approved financings after taking into account the valuation percentages and any changes in the valuation of the financings in accordance with the Loan Agreement determines the borrowing capacity, subject to the overall facility limits described above.

We had outstanding borrowings under our credit facilities of $166.2 million and $77.1 million as of June 30, 2014 and December 31, 2013, respectively. We pledged $260.8 million and $114.3 million of financing receivables as collateral for the credit facility as of June 30, 2014 and December 31, 2013, respectively. The weighted average short-term borrowing rate of our credit facilities was 2.7% and 2.6% as of June 30, 2014 and December 31, 2013, respectively. We incurred approximately $10.2 million of costs associated with the Loan Agreements that have been capitalized (included in other assets on the condensed consolidated balance sheets) and will be amortized on a straight-line basis over the term of the agreement. On each monthly payment date, the Borrowers shall also pay to the administrative agent, for the benefit of the lenders, certain availability fees for each Loan Agreement equal to 0.50%, divided by 360, multiplied by the excess of the available borrowing capacity under each Loan Agreement over the actual amount borrowed under such Loan Agreement.

Each Loan Agreement contains terms, conditions, covenants, and representations and warranties that are customary and typical for a transaction of this nature. The Loan Agreements contain various affirmative and negative covenants, and limitations on the incurrence of liens and indebtedness, investments, fundamental organizational changes, dispositions, changes in the nature of business, transactions with affiliates, use of proceeds and stock repurchases.

Each Loan Agreement also includes customary events of default, including for the existence of a default in more than 50% of underlying financings. The occurrence of an event of default may result in termination of the Loan Agreements, acceleration of amounts due under both Loan Agreements, and accrual of default interest at a rate of LIBOR plus 2.50% in the case of the G&I Loan Agreement and at a rate of LIBOR plus 5.00% in the case of the PF Loan Agreement.

The Loan Agreements require that we maintain the following financial covenants:

Covenant	Covenant Threshold
Minimum Liquidity (defined as available borrowings under the Loan Agreements plus unrestricted cash divided by actual borrowings) of greater than:	5%
12 month rolling Net Interest Margin of greater than:	zero
Maximum Debt to Equity Ratio of less than:	4 to 1

We were in compliance with the financial covenants of the Loan Agreements at each reporting date that such covenants were applicable. For purposes of the Maximum Debt to Equity ratio, debt is defined as total indebtedness excluding accounts payable and accrued expenses and nonrecourse debt.

8. Nonrecourse Debt

Asset-Backed Nonrecourse Notes

In December 2013, through certain of our subsidiaries, we issued in a private placement $100 million of nonrecourse Asset-Backed Notes (the "Notes") with a fixed interest rate of 2.79%. The Notes mature in December 2019 and are secured by certain of our financing receivables included on our balance sheet. The Noteholders can only look to the cash flows of the pledged financing receivables to satisfy the Notes and we are not liable for nonpayment by the obligor of the financing receivables securing these Notes. As of June 30, 2014 and December 31, 2013, we had $97.4 million and $100.1 million, respectively, of Notes outstanding, which were secured by $108.2 million and $109.5 million, respectively, of our financing receivables included on our balance sheet. Upon maturity, the Notes are anticipated to have an outstanding debt balance of approximately $57 million. The Notes may be prepaid prior to December 2018, with a make whole payment calculated using a discount rate equal to the comparable-maturity treasury yield plus 50 basis points. Thereafter the notes are repayable at par. At maturity, we will have the option to rollover the remaining debt with a mutually agreed term and rate or repay the outstanding balance.

We incurred approximately $0.2 million of costs associated with the issuance of the Notes that have been capitalized (included in other assets on the condensed consolidated balance sheets) and will be amortized using the effective interest method over a 72 month period from December 2013.

Other Nonrecourse Debt

We have other nonrecourse debt that was used to finance certain of our financing receivables for the term of the financing receivable. Amounts due under nonrecourse notes are secured by financing receivables with a carrying value of $141.6 million and $156.4 million as of June 30, 2014 and December 31, 2013, respectively, and there is no recourse to our general assets. Debt service payment requirements, in a majority of cases, are equal to or less than the cash flows received from the underlying financing receivables.

Analyses of other nonrecourse debt by interest rate are as follows:

As of June 30, 2014	Balance	Maturity
	(amounts in thousands)	
Fixed-rate promissory notes, interest rates from 2.06% to 5.00% per annum	$ 58,333	2014 to 2032
Fixed-rate promissory notes, interest rates from 5.01% to 6.50% per annum	62,558	2014 to 2031
Fixed-rate promissory notes, interest rates from 6.51% to 8.00% per annum	24,062	2015 to 2031
Other nonrecourse debt	**$144,953**	

As of December 31, 2013	Balance	Maturity
	(amounts in thousands)	
Fixed-rate promissory notes, interest rates from 2.06% to 5.00% per annum	$ 66,089	2014 to 2032
Fixed-rate promissory notes, interest rates from 5.01% to 6.50% per annum	68,862	2014 to 2031
Fixed-rate promissory notes, interest rates from 6.51% to 8.00% per annum	24,892	2015 to 2031
Other nonrecourse debt	**$159,843**	

The stated minimum maturities of nonrecourse debt as of June 30, 2014, were as follows:

As of June 30,	Nonrecourse Debt: Asset Backed Nonrecourse Notes	Nonrecourse Debt: Other Nonrecourse Debt	Total
	(amounts in thousands)		
2015	$ 8,574	$ 38,403	$ 46,977
2016	7,498	26,779	34,277
2017	8,215	15,472	23,687
2018	6,605	10,227	16,832
2019	4,358	4,393	8,751
Thereafter	62,143	49,679	111,822
	$ 97,393	**$ 144,953**	**$242,346**

9. Commitments and Contingencies

Litigation

We are not currently subject to any legal proceedings that are likely to have a material adverse effect on our financial position, results of operations or cash flows.

10. Income Tax

We intend to elect and qualify to be taxed as a REIT, commencing with our taxable year ending December 31, 2013. As a REIT, we are not subject to federal corporate income tax on that portion of net income that is currently distributed to our owners. However, our TRS will generally be subject to federal, state, and local income taxes as well as taxes of foreign jurisdictions, if any.

We account for income taxes of our TRS using the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in earnings in the period when the new rate is enacted.

During the six months ended June 30, 2014, we transferred an asset to our TRS that had a tax basis in excess of its book basis. We recognized a deferred tax asset for the amount we expect to be realizable. Because the transfer was done amongst entities under common control, we recorded the $1.9 million impact of the transaction to additional paid in capital. We established a valuation allowance against the remaining balance of our deferred tax asset as of March 31, 2014. During the three months ended June 30, 2014, we reclassified certain investments to investments available-for-sale and recognized them at fair value, which resulted in an unrealized gain of $3.8 million recognized in OCI. We recorded an deferred tax liability related to the unrealized gain on the available-for-sale investments of $1.5 million and recognized an income tax benefit on the statement of operations related to the release of the remaining valuation allowance of $0.8 million. We recorded an income tax benefit of $0.8 million for both the three and six months ended June 30, 2014, related to the activities of our TRS. We had no income tax expense for the three and six months ended June 30, 2013, related to the activities of our TRS. The income tax expense was determined using a federal rate of 35% and a combined state rate, net of federal benefit, of 5%.

11. Equity

Dividends and Distributions

Our board of directors declared the following dividends in 2013 and 2014:

Announced Date	Record Date	Pay Date	Amount per share
8/8/13	8/20/13	8/29/13	$ 0.06
1/7/13	11/18/13	11/22/13	$ 0.14
2/17/13	12/30/13	1/10/14	$ 0.22
3/13/14	3/27/14	4/9/14	$ 0.22
6/17/14	6/27/14	7/10/14	$ 0.22

Common Stock

We completed the following public offerings of common stock[1]:

Closing Date	Shares Issued	Price Per Share	Net Proceeds
	(amounts in thousands, except per share amounts)		
4/23/13	14,152	$ 12.50	$ 160.0
4/29/14	5,750	$ 13.00	$ 70.4

(1) Includes shares issued in connection with the exercise of the underwriters' option to purchase additional shares. Net proceeds from the offerings is shown after deducting underwriting discounts, commissions, other offering costs and, in the case of our initial public offering, formation transaction costs.

Equity Incentive Plan

We recorded compensation expense for stock awards in accordance with ASC 718,*Compensation—Stock Compensation*, which requires that all equity-based payments to employees be recognized in the condensed consolidated statements of operations, based on their grant date fair values with the expense being recognized over the requisite service period.

At the time of completion of our IPO, we adopted our 2013 Plan, which provides for grants of stock options, stock appreciation rights, restricted stock units, shares of restricted common stock, phantom shares, dividend equivalent rights, LTIP units and other restricted limited partnership units issued by our Operating Partnership and other equity-based awards. From time to time, we may award unvested restricted shares as compensation to members of our senior management team, our independent directors, advisors, consultants and other personnel under our 2013 Plan. The shares issued under this plan vest over a period of time as determined by the board of directors at the date of grant. Under the 2013 Plan, we issued both awards with service conditions and awards with performance conditions. We recognize compensation expense for unvested shares that vest solely based on service conditions on a straight-line basis over the vesting period based upon the fair market value of the shares on the date of grant, adjusted for forfeitures. Compensation expense related to our awards with performance conditions is recognized over the requisite service period based on our estimate of the achievement of the various performance targets based on the fair market value of the shares on the date of grant, adjusted for forfeitures.

Reallocation of the Predecessor's Membership Units

Concurrently with the IPO, the existing owners of the Predecessor reallocated and distributed a portion of their equity ownership to the employees of the Predecessor and the employees received 202,826 shares of common stock, 128,348 restricted stock units and 135,938 OP units. This reallocation was accounted for as equity-based compensation in accordance with ASC 718, *Compensation—Stock Compensation*, with equity award valuations based on the IPO price of $12.50 per share. As the shares of common stock, restricted stock units and OP units were immediately vested, we recorded compensation expense related to these awards of $5.8 million on April 23, 2013. No tax benefits have been recorded related to this reallocation. The restricted stock units, net of applicable federal and state taxes withheld, were converted to common shares in November 2013.

Awards of Shares of Restricted Common Stock under our 2013 Plan

During the six months ended June 30, 2014, our board of directors awarded employees and directors 149,359 shares of restricted common stock that vest in 2015 and 2016 and 373,241 shares of restricted common stock to certain employees that vest upon the later of the achievement of certain dividend growth targets and December 31, 2015.

We recognize compensation expense for unvested shares of restricted common stock on a straight-line basis over the vesting period based upon the fair market value of the shares on the date of issuance, adjusted for forfeitures. The calculation of the compensation expense assumes a forfeiture rate up to 5%. For the three and six months ended June 30, 2014, we recorded $1.5 million and $2.0 million of equity-based compensation expense as

compared to $6.2 million, which includes $5.8 million related to the reallocation of shares to employees from the existing owners of the Predecessor on the completion of our IPO, for the three and six months ended June 30, 2013. Included in our stock based compensation expense is an accrual for an additional 163,868 shares of restricted common stock that the board has set as a target to be earned by certain employees upon the achievement of certain corporate and individual performance goals during 2014 and, if earned and awarded, will vest in equal amounts on December 31, 2015 and 2016.

The total unrecognized compensation expense related to awards of shares of restricted common stock subject to a vesting schedule, considering estimated forfeitures, is $11.9 million as of June 30, 2014, which is expected to be recognized over a weighted-average term of approximately two years.

A summary of the unvested shares of restricted common stock that have been issued, as of June 30, 2014, is as follows:

	Restricted Shares of Common Stock	Value (000's)
Beginning Balance—December 31, 2013	598,815	$ 7,484
Granted	522,600	$ 7,410
Vested	(147,009)	$ (1,838)
Forfeited	—	$ —
Ending Balance—June 30, 2014	**974,406**	**$ 13,057**

Accumulated OCI is the cumulative total OCI that is included as a component of shareholder's equity. The following represents changes in accumulated OCI by component as of June 30, 2014.

	Unrealized Gains/ (Loss) on Residual Assets	Unrealized Gains/ (Losses) on Investments Available-for-Sale	Less Noncontrolling Interest	Total
	(amounts in thousands)			
Balances as of December 31, 2013	$ 113	$ —	$ (3)	$ 110
Other comprehensive income before reclassifications, net	(46)	3,314	(61)	3,207
Amounts reclassified from accumulated OCI	—	(1,030)	19	(1,011)
Balances as of June 30, 2014	**$ 67**	**$ 2,284**	**$ (45)**	**$ 2,306**

12. Earnings per Share of Common Stock

Net income or loss figures are presented net of income or loss attributable to the non-controlling OP units in the earnings per share calculations. The non-controlling limited partners' outstanding OP units have also been excluded from the diluted earnings per share calculation attributable to common stockholders as there would be no effect on the amounts since the limited partners' share of income would also be added back to net income. The weighted average number of OP units attributable to the non-controlling interest was 345,485 and 353,405 for the three months and six months ended June 30, 2014, respectively.

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. Any shares of common stock which, if included in the diluted earnings per share calculation, would have an anti-dilutive effect have been excluded from the diluted earnings per share calculation.

For the three months ended June 30, 2014, undistributed earnings attributable to unvested shares of restricted common stock have been excluded, as applicable, from net income or loss attributable to common shareholders used in the basic and diluted earnings per share calculations because the effect of these items on diluted earnings per share would be anti-dilutive As of June 30, 2014 and 2013, there were 974,406 and 734,763 shares of unvested restricted common stock outstanding, respectively.

The computation of basic and diluted earnings per common share is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
Numerator:	**2014**	**2013**	**2014**	**2013**
	(in thousands, except share and per share data)			
Net income (loss) attributable to controlling shareholders and participating securities	$ 2,828	$ (4,972)	$ 5,581	$ (4,972)
Less: Dividends paid on participating securities	(214)	—	(348)	—
Undistributed earnings attributable to participating securities	—	—	—	—
Net income attributable to controlling shareholders	**$ 2,614**	**$ (4,972)**	**$ 5,233**	**$ (4,972)**
Denominator:				
Weighted-average number of common shares—basic	19,973,393	15,439,311	17,944,432	15,439,311
Weighted-average number of common shares—diluted	19,973,393	15,439,311	17,944,432	15,439,311
Net income per share attributable to common shares—basic	**$ 0.13**	**$ (0.32)**	**$ 0.29**	**$ (0.32)**
Net income per share attributable to common shares—diluted	**$ 0.13**	**$ (0.32)**	**$ 0.29**	**$ (0.32)**

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

In this Quarterly Report on Form 10-Q, unless specifically stated otherwise or the context otherwise indicates, references to "we," "our," "us," and "HASI" refer to Hannon Armstrong Sustainable Infrastructure Capital, Inc., a Maryland corporation, Hannon Armstrong Sustainable Infrastructure, L.P., and any of our other subsidiaries. Hannon Armstrong Sustainable Infrastructure, L.P. is a Delaware limited partnership of which we are the sole general partner and to which we refer in this Quarterly Report on Form 10-Q as our "Operating Partnership."

Hannon Armstrong Capital, LLC, a Maryland limited liability company, the entity that operated our historical business prior to the consummation of our IPO and which we refer to as the "Predecessor," became our subsidiary upon consummation of our IPO. To the extent any of the financial data included in this Quarterly Report on Form 10-Q is as of a date or from a period prior to the consummation of our IPO, such financial data is that of the Predecessor. The financial data for the Predecessor for such periods do not reflect the material changes to the business as a result of the capital raised in the IPO including the broadened types of projects undertaken, the enhanced financial structuring flexibility and the ability to retain a larger share of the economics from the origination activities. Accordingly, the financial data for the Predecessor is not necessarily indicative of our results of operations, cash flows or financial position following the completion of the IPO.

The following discussion is a supplement to and should be read in conjunction with the accompanying condensed consolidated financial statements and related notes and with our 2013 Form 10-K, that was filed with the SEC.

Our Business

We provide debt and equity financing for sustainable infrastructure projects that increase energy efficiency, provide cleaner energy sources, positively impact the environment or make more efficient use of natural resources. Over this period, we have become the leading provider of financing for energy efficiency projects for the U.S. federal government, the largest property owner and energy user in the United States.

We provide and arrange debt and equity financing primarily for three types of projects, which we refer to together as sustainable infrastructure projects:

- *Energy Efficiency Projects*: projects, typically undertaken by Energy Services Companies (ESCOs), which reduce a building's or facility's energy usage or cost through the design and installation of improvements to various building components, including heating, ventilation and air conditioning systems, or HVAC systems, lighting, energy controls, roofs, windows and/or building shells;
- *Clean Energy Projects*: projects that deploy cleaner energy sources, such as solar, wind, geothermal and biomass as well as natural gas; and
- *Other Sustainable Infrastructure Projects*: projects, such as water or communications infrastructure, that reduce energy consumption, positively impact the environment or make more efficient use of natural resources.

We are highly selective in the projects we target. Our goal is to select projects that generate recurring and predictable cash flows or cost savings that will be more than adequate to repay the debt financing we provide or will deliver attractive returns on our investments. Our projects are typically characterized by revenues from contractually committed obligations of government entities or private high credit quality obligors and are often supported by additional forms of credit enhancement, including security interests and supplier guaranties. Our projects also generally employ proven technologies which minimize performance uncertainty, enabling us to more accurately predict project revenue and profitability over the term of the financing or investment. As of June 30, 2014, approximately 97% of the transactions held on our balance sheet are considered investment grade.

On April 23, 2013, we completed our IPO in which we sold 13,333,333 shares of common stock at $12.50 per share. The net proceeds from our IPO were approximately $160 million, after deducting underwriting discounts and commissions and IPO and formation transaction costs of approximately $4.9 million, which amount includes net proceeds of approximately $9.5 million received by us upon the exercise by the underwriters of their option to purchase an additional 818,356 shares of common stock on May 23, 2013. Our common stock is listed on the NYSE under the symbol "HASI." On April 29, 2014, we completed our first follow-on public offering in which we sold 5,750,000 shares of common stock (including 750,000 shares sold pursuant to the full exercise of the underwriters' option to purchase additional shares) at $13.00 per share, less the underwriting discount and estimated expenses, for net proceeds of $70.4 million.

Our strategy in undertaking the public offerings was to expand our proven ability to serve the rapidly growing sustainable infrastructure market by increasing our capital resources, enhancing our financial structuring flexibility, expanding the types of projects and end-customers we pursue, and selectively retaining a larger portion of the economics in the financings we originate. Prior to our IPO, we had traditionally financed our business by accessing the securitization market, primarily utilizing our relationships with institutional investors such as insurance companies and commercial banks. By utilizing the net proceeds from our offerings and our anticipated continued access to the public markets, our strategy is to hold a significantly larger portion of the loans or other assets we originate on our balance sheet, using our own capital in conjunction with both securitizations and other borrowings.

We expect to see, in comparison to historical periods, a much larger portion of our total revenue derived from net investment revenue and other recurring and predictable revenue sources. While we expect our investment interest expense to increase, we also expect that our net investment revenue, which represents the margin, or the difference between income from investment income and investment interest expense, will increase due to a higher average margin on a per asset basis as well as growth in the overall amount of our investments. We expect our average margin will increase as a result of increased use of equity in place of debt as well as lower anticipated interest rates on our borrowings.

In our securitization transactions, including Hannon Armstrong Multi-Asset Infrastructure Trust ("Hannie Mae"), we transfer the loans or other assets we originate to securitization trusts or other bankruptcy remote special purpose funding vehicles. Large institutional investors, primarily insurance companies and commercial banks, historically provided the financing needed for a project by purchasing the notes issued by the trust or vehicle. The securitization market for the assets we finance has remained active throughout the financial crisis due to investor demand for high credit quality, long-term investments. We typically arranged such securitizations of loans or other assets prior to originating the transaction and thus have avoided exposure to credit spread and interest rate risks that are normally associated with traditional capital markets conduit transactions. Additionally, we have typically avoided funding risks for these loans or other assets given that our securitization partners contractually agree to fund such assets before the origination transaction is completed.

In most cases, the transfer of loans or other assets to non-consolidated securitization trusts or to third parties qualify as sales for accounting purposes. In these transactions, we receive economics in the form of gain on sale income that is reflected in our statement of operations as gain on sale of receivables and investments. We also typically manage and service these assets in exchange for fees and other payments, which we record as fee income on our statement of operations. We may periodically provide other services, including arranging financings that are held on the balance sheet of other parties and advising various companies with respect to structuring investments.

From April 23, 2013, the date of our IPO, through June 30, 2014, we completed approximately $960 million of transactions, of which 54% are held on our balance sheet and 46% were securitized or syndicated. Approximately 52% of these transactions financed energy efficiency projects; approximately 44% financed clean energy projects, while the remaining 4% financed other sustainable infrastructure projects.

We refer to the transactions that we hold on our balance sheet as our "Portfolio." Our Portfolio may include:

- Financing Receivables, such as sustainable infrastructure project loans, receivables and direct financing leases,

- Investments, such as sustainable infrastructure debt and equity securities, and
- Real Estate, such as land or other physical assets and related intangible assets used in sustainable infrastructure projects.

On May 28, 2014, we entered into a Unit Purchase Agreement (the "Purchase Agreement") to acquire all of the outstanding member interests in AWCC from Northwharf Nominees Limited, DBD AWCC LLC, NGP Energy Technology Partners II, L.P. and C.C. Hinckley Company, LLC (collectively, the "Sellers") in exchange for approximately $106.9 million (the "Purchase Price"), which we funded from the use of our cash on hand and our existing credit facilities. Through this acquisition, we expanded our portfolio of sustainable infrastructure assets, including acquiring more than 7,500 acres of land with in-place land leases to three solar projects, which we have recorded as real estate, and the rights to payments from land leases for a diversified portfolio of 57 wind projects, which we have recorded as financing receivables. We did not assume any of AWCC's indebtedness in connection with the transaction. We accounted for our acquisition of AWCC as a business combination and incurred approximately $1.1 million of acquisition related costs, which we have expensed as acquisition costs in our condensed consolidated statement of operations. We recorded the AWCC assets acquired at fair value. We are using a qualified appraiser to assist us with the determination of the fair value estimates for the majority of the AWCC assets acquired and expect to finalize the appraisal later this year. We also expect to acquire additional land and land leases in the future.

As of June 30, 2014, our Portfolio, from which we earn investment income, was approximately $591 million. Approximately 85% of our Portfolio consisted of fixed rate loans, direct financing leases or debt securities, approximately 11% was real estate with long term leases and the remaining 4% consisting of floating rate debt. Approximately 33% of our Portfolio consisted of U.S. federal government obligations, 13% of obligations of state or local government or other institutions such as hospitals and universities and 54% were commercial obligations. In total, as of June 30, 2014, we managed approximately $2.2 billion of assets, which consisted of our Portfolio plus approximately $1.6 billion of assets held in non-consolidated securitization trusts. We refer to this $2.2 billion of assets collectively as our managed assets.

We have a large and active pipeline of potential new financing opportunities that are in various stages of our investment process. We refer to projects as being part of our pipeline if we have determined that the projects fit within our investment strategy and exhibit the appropriate risk/reward characteristics through an initial credit analysis, including a quantitative and qualitative assessment of the investments, as well as research on the market and sponsor. Our pipeline consists of projects, including real estate investment opportunities, for which we will either be the lead financier or projects in which we will participate that are originated by other institutional investors or intermediaries. As of June 30, 2014, our pipeline consisted of more than $2.0 billion in new financing and investment opportunities. There can, however, be no assurance that any or all of the transactions in our pipeline will be completed.

Factors Impacting our Operating Results

We expect that our results of operations will be affected by a number of factors and will primarily depend on the size of our Portfolio, including the mix of transactions which we hold in our Portfolio, the income we receive from securitizations, syndications and other services, our Portfolio's credit risk profile, changes in market interest rates, commodity prices, U.S. federal, state and/or municipal governmental policies, general market conditions in local, regional and national economies and our ability to qualify as a REIT and maintain our exception from registration as an investment company under the 1940 Act.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses in the consolidated financial statements. Understanding our accounting policies and the extent to which we use management judgment and estimates in applying these policies is integral to understanding our financial

statements. We provide a summary of our significant accounting policies under "Note 2—Summary of Significant Accounting Policies" in our 2013 Form 10-K and under Note 2—"Summary of Significant Accounting Policies" in Item 1 of this 10-Q.

We have identified the following accounting policies as critical because they require significant judgments and assumptions about highly complex and inherently uncertain matters and the use of reasonably different estimates and assumptions could have a material impact on our reported results of operations or financial condition. These critical accounting policies govern:

- Financing receivables and the related accounting for allowance for credit losses and impairments
- Investments and the related accounting for impairments
- Real estate
- Securitization of receivables
- Valuation of financial instruments
- Revenue recognition
- Income taxes
- Equity-based compensation
- Earnings per share

We evaluate our critical accounting estimates and judgments on an ongoing basis and update them, as necessary, based on changing conditions.

We provide additional information on our critical accounting policies and use of estimates under "MD&A—Critical Accounting Policies and Use of Estimates" in our 2013 Form 10-K.

Financial Condition and Results of Operation

Our Portfolio

As of June 30, 2014, our Portfolio included approximately $591 million of financing receivables, investments and real estate on our balance sheet. The financing receivables and investments are typically collateralized contractually committed debt obligations of government entities or private high credit quality obligors and are often supported by additional forms of credit enhancement, including security interests and supplier guaranties. The real estate is typically land and related lease intangibles for long-term leases to sustainable infrastructure projects with high credit quality obligors. The weighted average remaining life of our Portfolio as of June 30, 2014, (excluding match-funded transactions) is approximately 12 years.

The following is an analysis of our Portfolio by type of obligor and credit quality as of June 30, 2014.

	Investment Grade					
	Federal[1]	State, Local, Institutions[2]	Commercial Externally Rated[3]	Commercial Rated Internally[4]	Commercial Other[5]	Total
	(amounts in millions, except for percentages)					
Financing receivables	$ 195.9	$ 73.8	$ 22.0	$ 163.5	$ 0.8	$456.0
Investments available-for-sale	—	—	43.3	7.8	16.6	67.7
Real estate[6]	—	—	—	67.2	—	67.2
Total	$ 195.9	$ 73.8	$ 65.3	$ 238.5	$ 17.4	**$590.9**
% of Total Portfolio	33.1%	12.5%	11.1%	40.4%	2.9%	100.0%
Average Balance[7]	$ 7.7	$ 24.6	$ 21.8	$ 13.3	$ 16.6	$ 11.7

(1) Transactions where the ultimate obligor is the U.S. Federal Government. Transactions may have guaranties of energy savings from third party service providers, the majority of which are investment grade rated entities.
(2) Transactions where the ultimate obligors are state or local governments or institutions such as hospitals or universities where the obligors are rated investment grade (either by an independent rating agency or based upon our credit analysis). Transactions may have guaranties of energy savings from third party service providers, the majority of which are investment grade rated entities.
(3) Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade by one or more independent rating agencies. This includes an investment grade rated debt security with a fair value of $38.2 million that matures in 2035 whose obligor is an entity whose ultimate parent is Berkshire Hathaway Inc.
(4) Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade using our internal credit analysis.
(5) Transactions where the projects or the ultimate obligors are commercial entities that have ratings below investment grade either by an independent rating agency or using our internal credit analysis. Financing receivables are net of an allowance for credit losses of $11.0 million. Investments include a senior debt investment of $16.6 million on a wind project that is owned by NRG Energy, Inc.
(6) Includes the real estate and the related lease intangible assets.
(7) Average Remaining Balance excludes 66 transactions each with outstanding balances that are less than $1.0 million and that in the aggregate total $16.5 million.

The table below presents, for each major category of our Portfolio and our interest-bearing liabilities, the average outstanding balances, investment income earned or interest expense incurred, and average yield or cost. Our net investment margin represents the difference between the yield on our portfolio (including our rental income) and the cost of our interest-bearing liabilities, including the impact of non-interest bearing funding, primarily equity.

	Three Months ended June 30,		Six Months ended June 30,	
	2014	2013	2014	2103
	(In thousands except for interest rate data)			
Net Investment Revenue:				
Interest Income, Financing receivables	$ 5,229	$ 3,384	$ 9,847	$ 6,095
Interest Income, Investments	1,138	17	2,432	17
Rental Income	410	—	410	—
Investment Revenue	6,777	3,401	12,689	6,112
Investment interest expense	(3,684)	(2,069)	(7,214)	(4,305)
Net investment revenue	3,093	1,332	5,475	1,807
Average monthly balance of financing receivables	$ 400,670	$ 246,136	$ 377,335	$ 217,767
Average interest rate from financing receivables	5.22%	5.50%	5.22%	5.60%
Average monthly balance of investments	$ 80,356	$ 1,234	$ 85,910	$ 618
Average interest rate of investments	5.66%	5.35%	5.66%	5.35%
Average monthly balance of real estate	$ 25,301	$ —	$ 12,651	$ —
Average yield on real estate	6.48%	0.00%	6.48%	0.00%
Average monthly balance of Portfolio	$ 506,327	$ 247,370	$ 475,896	$ 218,385
Average yield from Portfolio	5.35%	5.50%	5.33%	5.59%
Average monthly balance of debt	$ 355,810	$ 181,982	$ 350,015	$ 187,896
Average interest rate from debt	4.14%	4.55%	4.12%	4.58%
Average interest spread	1.21%	0.95%	1.21%	1.01%
Net investment margin	2.44%	2.15%	2.30%	1.65%

The table below provides details on the interest rate and maturity of our financing receivables and investments as of June 30, 2014:

	Amounts in Millions	Maturity
Financing receivables:		
Floating-rate financing receivable, interest rate of 3.19% per annum	$ 25.6	2025
Fixed-rate financing receivables, interest rates from 2.42% to 5.00% per annum	143.7	2014 to 2037
Fixed-rate financing receivables, interest rates from 5.01% to 6.50% per annum	98.8	2014 to 2038
Fixed-rate financing receivables, interest rates from 6.51% to 13.36% per annum	199.0	2015 to 2059
	467.1	
Allowance for credit losses	(11.0)	
Financing receivables, net of allowance	456.1	
Fixed-rate investment in debt securities, interest rates of 4.88% to 6.10% per annum	67.6	2017 to 2035
Total Financing Receivables and Investments	**$ 523.7**	

The following table provides a summary of our anticipated maturity dates of our financing receivables and investments and the weighted average yield for each range of maturities as of June 30, 2014:

	Total	Less than 1 year	1-5 years	5-10 years	More than 10 years
	(in thousands, except for interest rate data)				
Financing Receivables					
Payment due by period	$456,073	$ 1,845	$89,083	$ 18,034	$347,111
Weighted average yield by period[1]	5.64%	4.65%	6.19%	5.88%	5.49%
Investments					
Payment due by period	$ 67,640	$ —	$16,552	$ —	$ 51,088
Weighted average yield by period	5.42%	— %	5.76%	— %	5.31%

(1) Excludes yield on remaining $0.8 million loan balance that is on non-accrual status after the $11.0 million allowance for loan loss recorded in December 2013.

The following table provides a summary of our anticipated principal repayments for our financing receivables and investments as of June 30, 2014:

	Payment due by Period				
	Total	Less than 1 year	1-5 years	5-10 years	More than 10 years
	(amounts in thousands)				
Financing Receivables	$456,073	$ 34,070	$111,583	$106,649	$203,771
Investments	$ 67,640	$ 5,306	$ 18,511	$ 10,257	$ 33,566

Our real estate is rented under long term land lease agreements with expiration dates that range between 2041 and 2043 under the initial terms and 2052 and 2061 assuming expected extensions. As of June 30, 2014, the future minimum rental income under our land lease agreements is as follows:

Year Ending December 31,	(Amounts in Thousands)
2014	$ 2,443
2015	4,886
2016	4,886
2017	4,886
2018	4,886
2019	4,886
Thereafter	173,625
Total	$ 200,498

We also have residual assets relating to our securitization trusts. The table below presents the carrying value and yields for those assets:

	Carrying Value	Weighted Average Yield
	(Amounts in thousands)	
June 30, 2014	$ 5,138	8.68%
December 31, 2013	$ 4,863	8.72%

The residual assets do not have a contractual maturity date and the underlying securitized assets have contractual maturity dates ranging from 2015 to 2038.

Comparison of the Three Months Ended June 30, 2014 vs. Three Months Ended June 30, 2013

	Three Months Ended June 30,			
	2014	2013	$ Change	% Change
	(amounts in thousands)			
Net Investment Revenue:				
Interest Income, Financing receivables	$ 5,229	$ 3,384	$ 1,845	54.5%
Interest Income, Investments	1,138	17	1,121	NM
Rental Income	410	—	410	NM
Investment Revenue	6,777	3,401	3,376	99.3%
Investment interest expense	(3,684)	(2,069)	(1,615)	(78.1%)
Net Investment Revenue	3,093	1,332	1,761	132.2%
Provision for credit losses	—	—	—	NM
Net Investment Revenue, net of provision	3,093	1,332	1,761	132.2%
Other Investment Revenue:				
Gain on sale of receivables and investments	4,272	884	3,388	383.3%
Fee income	207	648	(441)	(68.1%)
Other Investment Revenue	4,479	1,532	2,947	192.4%
Total Revenue, net of investment interest expense and provision	7,572	2,864	4,708	164.4%
Compensation and benefits	(2,924)	(7,292)	4,368	59.9%
General and administrative	(1,445)	(1,237)	(208)	(16.8%)
Depreciation and amortization of intangibles	(61)	(111)	50	45.0%
Acquisition costs	(1,104)	—	(1,104)	NM
Other interest expense	—	(7)	7	100.0%
Other income	7	9	(2)	(22.2%)
Other Expenses, net	(5,527)	(8,638)	3,111	36.0%
Net income (loss) before income tax	2,045	(5,774)	7,819	135.4%
Income tax benefit	830	—	830	NM
Net Income (Loss)	$ 2,875	$ (5,774)	$ 8,649	149.8%

Net Income

Net income increased by $8.6 million to $2.9 million for the three months ended June 30, 2014, compared to a loss of $5.7 million for the same period in 2013. This increase was primarily the result of higher Total revenue, net of investment interest expense and provision of $4.7 million, lower Other expenses, net $3.1 million and an income tax benefit of $0.8 million related to our TRS activities. Our growth in Total revenue, net of investment interest expense and provision was driven by Other investment revenue of $2.9 million and higher Net investment revenue of $1.8 million driven by an increase the monthly average Portfolio balance of $506 million during the three months ended June 30, 2014 when compared to $247 million for the same period in 2013. The $3.1 million decline in Other Expenses, net was primarily as a result of lower compensation and benefits costs of $4.4 million due to one-time compensation and benefits costs in 2013 of $5.8 million related to stock based compensation expense, partially offset by one-time charges in 2014 of $1.1 million related to our acquisition of AWCC and higher general and administrative expenses of $0.2 million in 2014 driven by an increase in legal and professional fees.

Net Investment Revenue

Net investment revenue increased to $3.1 million in the three months ended June 30, 2014, from $1,3 million in the same period in 2013. The increase was driven primarily by an increase in our on-balance sheet portfolio of financing receivables and investments held during the three months ended June 30, 2014, when compared to the same period in 2013. The monthly average balance of our on-balance sheet portfolio increased to approximately $506 million in the three months ended June 30, 2014, from approximately $247 million in the same period in 2013. This increase in our on-balance sheet portfolio is driven by our strategy to hold more originated transactions on our balance sheet to increase our shareholders' value. The increase in our on-balance portfolio was partially offset by a decline in average interest rates earned on these assets, which decreased to 5.35% in the three months ended June 30, 2014, from 5.50% in the same period in 2013. This decrease was driven primarily by the impact of the current lower interest rate environment as compared to the historical rate environment when our legacy portfolio was originated. Our larger on-balance sheet portfolio, partially offset by lower interest rates, generated a $3.4 million increase in investment revenue to $6.8 million during the three months ended June 30, 2014, compared to $3.4 million during the same period in 2013.

As we have increased our leverage, including the use of our 2.79% fixed rate asset backed debt, to finance our on-balance portfolio, the monthly average debt balance increased in the three months ended June 30, 2014, to approximately $356 million compared to approximately $182 million during the same period in 2013. This increase in our monthly average debt balance was the primary driver for the increase in our investment interest expense of

$1.6 million, when comparing the three months ended June 30, 2014, to $3.7 million from $2.1 million in the same period ended June 30, 2013. Our average debt rate decreased to 4.14% during the three months ended June 30, 2014, from 4.55% for the same period ending June 30, 2013, due to the lower interest rates on our credit facility and our asset backed debt as compared to our historical match funded other nonrecourse debt.

As a result of the increase in the size of our Portfolio offset by an increase in the debt used to financing the acquisition of the Portfolio, net investment revenue increased over 100% to $3.1 million for the three months ended June 30, 2014, from $1.3 million for the same period ended in 2013.

Other Investment Revenue

Gain on sale of receivables and investments increased by $3.4 million for the three months ended June 30, 2014, when compared to the same period ended June 30, 2013. The increase was the result of higher transaction volume in 2014 when compared to 2013. This increase was offset by a $0.4 million decline in fee income due to lower fees from investment banking services. As a result, Other Investment Revenue rose by $3.0 million to $4.5 million from $1.5 million in the same period last year.

Total Revenue, Net of Investment Interest Expense and Provision

Total revenue, net of investment interest expense and provision increased by $4.7 million to $7.6 million for the three months ended June 30, 2014, compared to $2.9 million for the same period in 2013. This increase was primarily a result of the gain on sale of receivables and investments in 2014 and the growth in our on-balance sheet Portfolio when comparing the three months ended June 30, 2014, to the same period ended June 30, 2013.

Other Expenses, Net

Other expenses, net decreased by $3.1 million to $5.5 million in the three months ended June 30, 2014, compared to $8.6 million in the same period in 2013, primarily as a result of lower compensation and benefits costs of $4.4 million partially offset by $1.1 million of AWCC acquisition related costs and $0.2 million of higher general and administrative expenses driven by higher transaction related legal and professional fees in 2014. The decline in compensation and benefits during the three months ended June 30, 2014 when compared to the same period in 2013 was driven primarily by the one-time equity based compensation charge of $5.8 million in 2013 relating to the reallocation between the owners and employees of the equity interest of the Predecessor as part of our IPO.

Comparison of the Six Months Ended June 30, 2014 vs. Six Months Ended June 30, 2013

	Six Months Ended June 30,			
	2014	2013	$ Change	% Change
	(amounts in thousands)			
Net Investment Revenue:				
Interest Income, Financing receivables	$ 9,847	$ 6,095	$ 3,752	61.6%
Interest Income, Investments	2,432	17	2,415	NM
Rental Income	410	—	410	NM
Investment Revenue	12,689	6,112	6,577	107.6%
Investment interest expense	(7,214)	(4,305)	(2,909)	(67.6%)
Net Investment Revenue	5,475	1,807	3,668	203.0%
Provision for credit losses	—	—	—	NM
Net Investment Revenue, net of provision	5,475	1,807	3,668	203.0%
Other Investment Revenue:				
Gain on sale of receivables and investments	6,246	884	5,362	606.6%
Fee income	1,550	929	621	66.8%
Other Investment Revenue	7,796	1,813	5,983	330.0%
Total Revenue, net of investment interest expense and provision	13,271	3,620	9,651	266.6%
Compensation and benefits	(4,537)	(8,443)	3,906	46.3%
General and administrative	(2,598)	(1,927)	(671)	(34.8%)
Depreciation and amortization of intangibles	(123)	(216)	93	43.1%
Acquisition costs	(1,104)	—	(1,104)	NM
Other interest expense	—	(56)	56	100.0%

	Six Months Ended June 30,			
	2014	2013	$ Change	% Change
	(amounts in thousands)			
Other income	9	29	(20)	(69.0%)
Other Expenses, net	(8,353)	(10,613)	2,260	21.3%
Net income (loss) before income tax	4,918	(6,993)	11,911	170.3%
Income tax benefit	770	—	770	NM
Net Income (Loss)	$ 5,688	$ (6,993)	$ 12,681	181.3%

Net Income

Net income increased by $12.7 million to $5.7 million for the six months ended June 30, 2014, compared to a loss of $7.0 million for the same period in 2013. This increase was primarily the result of a $9.7 million increase in Total Revenue, net of investment interest expense and provision that was driven primarily by higher Net investment revenue, net of provision of $3.7 million due to the increase in the size of our Portfolio and higher Other Investment Revenue of $6.0 million. In addition, Other Expenses, net decreased by $2.3 million due to a $3.8 million decrease in equity-based compensation, offset by $1.1 million of AWCC acquisition and $0.7 million increase in general and administrative expenses including higher legal, consulting and accounting costs associated with being a public company, during the six months ended June 30, 2014, compared to the same period in 2013. Net income during the six months ended June 30, 2014, was also favorably impacted by income tax benefit of $0.8 million related to our TRS activities.

Net Investment Revenue

Net investment revenue increased to $5.5 million in the six months ended June 30, 2014, from $1.8 million in the same period in 2013. The increase was driven primarily by an increase in our Portfolio held during the six months ended June 30, 2014, when compared to the same period in 2013. The monthly average balance of our on-balance sheet portfolio increased to approximately $476 million in the six months ended June 30, 2014, from approximately $218 million in the same period in 2013. This increase in our on-balance sheet portfolio is driven by our strategy to hold more originated transactions on our balance sheet to increase our shareholders' value. The increase in our on-balance portfolio was partially offset by a decline in average interest rates earned on these assets, which decreased to 5.33% in the six months ended June 30, 2014, from 5.59% in the same period in 2013. This decrease was driven primarily by the impact of the current lower interest rate environment as compared to the historical rate environment when our legacy portfolio was originated. Our larger on-balance sheet portfolio, partially offset by lower interest rates, generated a $6.6 million increase in investment revenue to $12.7 million during the six months ended June 30, 2014, compared to $6.1 million during the same period in 2013.

As we have increased our leverage, including the use of our 2.79% fixed rate asset backed debt, to finance our on-balance portfolio, the monthly average debt balance increased in the six months ended June 30, 2014, to approximately $350 million compared to approximately $188 million during the same period in 2013. This increase in our monthly average debt balance was the primary driver for the increase in our investment interest expense of $2.9 million, when comparing the six months ended June 30, 2014, to the same period ended June 30, 2013. Our average debt rate decreased to 4.12% during the six months ended June 30, 2014, from 4.58% for the same period ending June 30, 2013, due to the lower interest rates on our credit facility and our asset backed debt as compared to our historical match funded other nonrecourse debt.

As a result of the increase in our on-balance sheet Portfolio offset by an increase in the debt used to finance the Portfolio, net investment revenue increased over 200% to $5.5 million for the six months ended June 30, 2014, from $1.8 million for the same period ended in 2013.

Other Investment Revenue

Gain on sale of receivables and investments increased by $5.4 million for the six months ended June 30, 2014, when compared to the same period ended June 30, 2013. The increase was the result of higher transaction volume in 2014 when compared to 2013. Fee income in 2014 also increased by $0.6 million to $1.5 million for the

six months ended June 30, 2014, from $0.9 million for the six months ended June 30, 2013, primarily as a result of an increase in the volume of syndication fee transactions closed in 2014 when compared to such transactions closed in 2013.

Total Revenue, Net of Investment Interest Expense and Provision

Total revenue, net of investment interest expense and provision increased by $9.7 million to $13.3 million for the six months ended June 30, 2014, compared to $3.6 million for the same period in 2013. This increase was primarily a result of the increase in net investment revenues due to an increase in the size of our Portfolio and higher transaction volumes driving the increases in other investment revenue when comparing the six months ended June 30, 2014 to the same period ended June 30, 2013.

Other Expenses, Net

Other expenses, net decreased by $2.2 million to $8.4 million in the six months ended June 30, 2014, compared to $10.6 million in the same period in 2013, primarily as a result of lower compensation and benefits costs driven by the one-time IPO related equity-based compensation expense charge in 2013 of $5.8 million partially offset by higher equity based compensation expenses in 2014 of $1.6 million when compared to 2013 excluding the one-time IPO related charge. The decline in compensation expense was offset by higher transaction related professional fees in 2014 of $1.1 million related to the AWCC acquisition and higher legal and professional fees of $0.7 million included in general and administrative expenses related to being a public company.

Non-GAAP Financial Measures

We consider the following non-GAAP financial measures useful to investors as key supplemental measures of our performance: (1) core earnings, (2) managed assets and (3) investment income from managed assets. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of our operating performance. These non-GAAP financial measures, as calculated by us, may not be comparable to similarly named financial measures as reported by other companies that do not define such terms exactly as we define such terms.

Core Earnings

We calculate Core Earnings as U.S. GAAP net income (loss) excluding non-cash equity compensation expense, non-cash provision for credit losses, amortization of intangibles, one time acquisition related costs, if any and any non-cash tax charges. The amount is also adjusted to exclude one-time events pursuant to changes in U.S. GAAP and certain other non-cash charges as approved by a majority of our independent directors.

We believe that Core Earnings provides an additional measure of our core operating performance by eliminating the impact of certain non-cash expenses and facilitating a comparison of our financial results to those of other comparable REITs with fewer or no non-cash charges and comparison of our own operating results from period to period. Our management uses Core Earnings in this way. We believe that our investors also use Core Earnings, or a comparable supplemental performance measure, to evaluate and compare our performance to that of our peers, and as such, we believe that the disclosure of Core Earnings is useful to (and expected by) our investors.

However, Core Earnings does not represent cash generated from operating activities in accordance with U.S. GAAP and should not be considered as an alternative to net income (determined in accordance with U.S. GAAP), or an indication of our cash flow from operating activities (determined in accordance with U.S. GAAP), a measure of our liquidity, or an indication of funds available to fund our cash needs, including our ability to make cash distributions. In addition, our methodology for calculating Core Earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and accordingly, our reported Core Earnings may not be comparable to the core earnings reported by other REITs.

We have calculated our Core Earnings for the three and six months ended June 30, 2014 and from our IPO to June 30, 2013. We did not use Core Earnings and thus have not calculated it for periods prior to our IPO. The table below provides a reconciliation of our U.S. GAAP net income to Core Earnings:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2014		2013		2014		2013	
	$	Per Share	$	Per Share	$	Per Share	$	Per Share
	(amounts in thousands, except per share amounts)							
Net income attributable to controlling shareholders	**$2,828**	**$ 0.13**	**$(4,972)**	**$ (0.32)**	**$5,581**	**$ 0.09**	**$(4,972)**	**$ (0.32)**
Adjustments attributable to controlling shareholders(1):								
Non-cash equity-based compensation charge	1,495		6,008		1,938		6,008	
Amortization of intangibles	87		52		137		52	
Acquisition costs	1,086		—		1,083		—	
Non-cash provision for taxes	(816)		—		(756)		—	
Core Earnings(2)	**$4,680**	**$ 0.22**	**$ 1,088**	**$ 0.07**	**$7,983**	**$ 0.43**	**$ 1,088**	**$ 0.07**

(1) Includes only the portion of the adjustment that is allocated to the controlling shareholders.

(2) Core Earnings per share is based on 20,904,721 shares and 18,711,698 shares for the three and six months ended June 30, 2014, and 16,174,074 shares for the period from our IPO to June 30, 2013, respectively, which represents the weighted average number of fully-diluted shares outstanding including participating securities, excluding the minority interest in our Operating Partnership as the income attributable to the minority interest is also excluded.

Managed Assets and Investment Income from Managed Assets

As we both consolidate assets on our balance sheet and securitize investments, certain of our financing receivables and other assets are not reflected on our balance sheet where we may have a residual interest in the performance of the investment. Thus, we also calculate both our investments and our income on our investments on a non-GAAP "managed" basis, which assumes that securitized loans are not sold, with the effect that the income from securitized loans is included in our income in the same manner as the income from loans that we consolidated on our balance sheet. We believe that our managed basis information is useful to investors because it portrays the results of both on- and off-balance sheet loans that we manage, which enables investors to understand and evaluate the credit performance associated with the portfolio of loans reported on our consolidated balance sheet and our retained interests in securitized loans. Our non-GAAP managed basis measures may not be comparable to similarly titled measures used by other companies.

The following is a reconciliation of our U.S. GAAP on-balance sheet Portfolio to our managed assets as of June 30, 2014 and December 31, 2013 and our U.S. GAAP investment revenue to our investment revenue from managed assets for the six months ended June 30, 2014:

	As of	
	June 30, 2014	December 31, 2013
	(amounts in thousands)	
Financing receivables (1)	$ 456,073	$ 347,871
Investments (1)	67,640	91,964
Real Estate	67,225	—
Assets held in securitization trusts	1,621,144	1,617,992
Managed Assets	**$2,212,082**	**$ 2,057,827**

(1) December 31, 2013 balances excludes financing receivables held-for-sale of $24.8 million and investments available-for-sale of $3.2 million that were purchased in December 2013 and sold in Q1 2014.

	Six Months ended June 30,	
	2014	2013
Investment Revenue	$ 12,689	$ 6,112
Income from assets held in securitization trusts	44,917	43,127
Investment Revenue from Managed Assets	**$ 57,606**	**$ 49,239**

Liquidity and Capital Resources

Liquidity is a measure of our ability to meet potential short-term (within one year) and long-term cash requirements, including ongoing commitments to repay borrowings, fund and maintain our current and future sustainable infrastructure projects, make distributions to our stockholders and other general business needs. We will use significant cash to finance our sustainable infrastructure projects, repay principal and interest on our borrowings, make distributions to our stockholders and fund our operations.

We use borrowings as part of our financing strategy to increase potential returns to our stockholders. Prior to our IPO, we financed our business primarily through the use of securitizations, such as Hannie Mae, or other special purpose funding vehicles. In securitization transactions, we transfer the loans or other assets we originate to securitization trusts or other bankruptcy remote special purpose funding vehicles. Large institutional investors, primarily insurance companies and commercial banks, historically provided the financing needed for a project by purchasing the notes issued by the funding vehicle. As of June 30, 2014, the outstanding principal balance of our assets financed through the use of securitizations which are not consolidated on our balance sheet was approximately $1.6 billion. In addition, we have also financed our business through fixed rate nonrecourse debt where the debt is match-funded with corresponding fixed rate yielding assets. As of June 30, 2014, we had outstanding approximately $145 million of this match funded debt, all of which was consolidated on our balance sheet. We expect to continue to use securitizations and non-recourse match-funded borrowings to finance our business. We also believe we will be able to customize securitized tranches to meet investment preferences of different investors.

Since our IPO, we have broadened our financing sources. In May 2014, we increased the size of our senior secured revolving credit facility to $450 million with maximum total advances of $900 million. In addition, in December 2013, we issued $100 million, 2.79% fixed rate asset backed non-recourse notes that mature in 2019. We believe that this financing was one of the first asset-backed securitizations that provided details on the greenhouse gas emissions saved by the technologies that secured the financing. For further information on the revolving credit facility, asset backed nonrecourse notes, and our match funded nonrecourse debt, see the Credit Facility and Nonrecourse Debt sections of "—Sources and Uses of Cash."

On April 29, 2014, we completed our first follow-on public offering in which we sold 5,750,000 shares of common stock (including 750,000 shares sold pursuant to the full exercise of the underwriters' option to purchase additional shares) at $13.00 per share, less the underwriting discount and estimated expenses, for net proceeds of $70.4 million.

We also plan to use other fixed and floating rate borrowings in the form of additional bank credit facilities (including term loans and revolving facilities), warehouse facilities, repurchase agreements and public and private equity and debt issuances, as well as additional securitizations and match funded arrangements, as a means of financing our business. The decision on how we finance specific assets or groups of assets is largely driven by capital allocations and portfolio management considerations, as well as prevailing credit spreads and the terms of available financing and market conditions. Over time, as market conditions change, we may use other forms of leverage in addition to these financings arrangements.

Although we are not restricted by any regulatory requirements to maintain our leverage ratio at or below any particular level, the amount of leverage we may deploy for particular assets will depend upon the availability of particular types of financing and our assessment of the credit, liquidity, price volatility and other risks of those assets and the credit quality of our financing counterparties. Our current policy is to maintain a debt to equity ratio of less than 2 to 1 across our overall portfolio and as of June 30, 2014, this debt to equity ratio was approximately 1.2 to 1, excluding our match funded other nonrecourse debt.

We intend to use leverage for the primary purpose of financing our portfolio and business activities and not for the purpose of speculating on changes in interest rates. While we generally intend to hold our target assets that we do not securitize upon acquisition as long-term investments, certain of our investments may be sold in order to manage our interest rate risk and liquidity needs, to meet other operating objectives and to adapt to market conditions. The timing and impact of future sales of financings, if any, cannot be predicted with any certainty. Since we expect that our assets will generally be financed, we expect that a significant portion of the proceeds from sales of our assets (if any), prepayments and scheduled amortization will be used to repay balances under our financing sources.

We believe these identified sources of liquidity will be adequate for purposes of meeting our short-term and long-term liquidity needs, which include funding future sustainable infrastructure projects, operating costs and distributions to our stockholders. To qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income without regard to the deduction for dividends paid and excluding net capital gains. These distribution requirements limit our ability to retain earnings and thereby replenish or increase capital for growth and our operations.

Sources and Uses of Cash

We had $38.7 million and $31.8 million of unrestricted cash and cash equivalents as of June 30, 2014 and December 31, 2013, respectively. As a result of our post IPO strategy and our intention to hold more direct economic interests in our assets in the future, we do not believe that our sources and uses of cash for the historical pre-IPO periods as set forth below are comparable to our sources and uses of cash following our IPO.

Cash Generated from Operating Activities

Net cash provided by operating activities was $25.0 million for the six months ended June 30, 2014, driven primarily by the sale of financing receivables held-for-sale and investments available-for-sale of $16.8 million, net income of $5.7 million, and non-cash charges of $1.1 million, primarily equity-based compensation, and amortization of deferred financing fees, partially offset by gain on sales of investments. In addition, there were cash flows provided by changes in other assets and liabilities of $1.5 million.

Net cash used in operating activities was $3.8 million for the six months ended June 30, 2013. In addition to the net loss of $7.0 million that was largely offset by the non-cash stock based compensation expense of $6.2 million, $3.6 million was used primarily to pay accrued legal, accounting and other direct costs incurred in connection with the IPO. This was offset by non-cash depreciation and amortization of $0.2 million and non-cash charges relating to the securitization assets of $0.4 million.

Cash Flows Relating to Investing Activities

Net cash used in investing activities was $97.3 million for the six months ended June 30, 2014. We invested cash of $106.7 million in the acquisition of AWCC. We used $107.2 million to purchase financing receivables. These investments in our Portfolio were partially offset by principal collections and sale of financing receivables and investments of $38.6 million and $37.8 million, respectively. In addition, we received $40.3 million from the release of restricted cash used to pay our deferred funding obligations.

Net cash used in investing activities was $143.8 million for the six months ended June 30, 2013. This included cash of $126.8 million used for new investments held on our balance sheet and an increase in restricted cash of $29.2 million to be used to pay for a new investment, offset by $11.9 million of principal collections on financing receivables held on our balance sheet and the collection of an advance from our Predecessor’s affiliates of $0.3 million.

Cash Flows Relating to Financing Activities

Net cash provided by financing activities was $79.1 million for the six months ended June 30, 2014. This includes cash of $108.0 million provided from borrowings under our credit facility and $70.4 million of net proceeds from the sale of our common stock. These cash receipts were partially offset by our payments of our deferred funding obligations of $50.6 million, payments on our credit facility and nonrecourse debt of $19.0 million and $17.6 million, respectively and payments of deferred financing costs of $1.6 million. For the six months ended June 30, 2014, we paid dividend distributions of $8.8 million to our shareholders and we redeemed 119,983 OP units held by our non-controlling interest holders for $1.6 million in cash during the six months ended June 30, 2014.

Net cash provided by financing activities was $154.4 million for the six months ended June 30, 2013. The IPO resulted in net proceeds of $160.3 million and $4.2 million was used to pay off our Predecessor’s credit facility. Total proceeds from nonrecourse debt to fund the origination of financing receivables were $29.1 million versus repayments on the nonrecourse debt of $30.9 million during the period.

Credit Facility

In July 2013, we entered into a $350 million senior secured revolving credit facility through newly-created, wholly-owned special purpose subsidiaries (the "Borrowers"). In November 2013, the PF Loan Agreement (as defined below) was amended to provide us with the flexibility to negotiate an alternative interest rate margin on certain loans with the approval of the administrative agent. In May 2014, we amended the PF Loan Agreement to increase its overall borrowing capacity by $200 million to $500 million, increase the maximum borrowings allowed at any point in time in the facility by $100 million to $250 million and expand the collateral eligibility criteria to reflect current market opportunities in distributed energy assets. In August, 2014, we entered into an amended and restated loan agreement which a) incorporated the terms of the first two amendments, b) added additional subsidiaries as Borrowers, c) provided for a fixed rate loan option for the PF loan agreement and d) modified the timing of borrowings on certain projects. We have guaranteed the obligations of the Borrowers under each of the Loan Agreements pursuant to (x) a Continuing Guaranty, dated July 19, 2013, (y) a Limited Guaranty, dated July 19, 2013. As part of this transaction, we entered into amended and restated versions of these guaranties.

The terms of the credit facility are set forth in the Loan Agreement (G&I) (the "G&I Loan Agreement") and the Loan Agreement (PF) and related amendments (the "PF Loan Agreement", and together with the G&I Loan Agreement, the "Loan Agreements") and provide for senior secured revolving credit facilities with total maximum advances of $900 million (i) in the case of the G&I Loan Agreement, in the principal amount of $200 million to be used to leverage certain qualifying government and institutional financings entered into by us, with maximum total advances (without giving effect to prepayments or repayments) of $400 million, and (ii) in the case of the PF Loan Agreement, in the principal amount of $250 million to be used to leverage certain qualifying project financings entered into by us, with maximum total advances (without giving effect to prepayments or repayments) of $500 million. We have guaranteed the obligations of the Borrowers under each of the Loan Agreements pursuant to (x) a Continuing Guaranty, dated July 19, 2013, and (y) a Limited Guaranty, dated July 19, 2013. The scheduled termination date of each of the Loan Agreements is July 19, 2018. Loans under the G&I Loan Agreement bear interest at a rate equal to the London Interbank Offered Rate ("LIBOR") plus 1.50% or, under certain circumstances, the Federal Funds Rate plus 1.50%. Loans under the PF Loan Agreement bear interest at a rate equal to LIBOR plus 2.50% or, under certain circumstances, the Federal Funds Rate plus 2.50%, or a specifically negotiated rate on certain loans as approved by the administrative agent. Under the PF loan agreement, the Borrowers also have the option of a loan where the rate is fixed until the expiration of the credit facility in July 2018. The fixed rate is determined by agreement between the Borrower and Administrative Agent and is based on the prevailing US SWAP rate of an equivalent term to the average-life of the fixed rate portion of the borrowing plus an agreed upon margin.

Any financing we proposed to be included in the borrowing base as collateral under the Loan Agreements will be subject to the approval of the administrative agent in its sole discretion. The amount eligible to be drawn under the Loan Agreements for purposes of financing such investments will be based on a discount to the value of each investment or an applicable valuation percentage. Under the G&I Loan Agreement, the applicable valuation percentage for non-delinquent investments is 80% in the case of a U.S. Federal Government obligor, 75% in the case of an institutional obligor or a state and local obligor, and with respect to other obligors or in certain circumstances, such other percentage as the administrative agent may prescribe. Under the PF Loan Agreement, the applicable valuation percentage is 67% or such other percentage as the administrative agent may prescribe. The sum of approved financings after taking into account the valuation percentages and any changes in the valuation of the financings in accordance with the Loan Agreement determines the borrowing capacity, subject to the overall facility limits described above.

We had outstanding borrowings under our credit facilities of $166.2 million and $77.1 million as of June 30, 2014 and December 31, 2013, respectively. We pledged $260.8 million and $114.3 million of financing receivables as collateral for the credit facility as of June 30, 2014 and December 31, 2013, respectively. The weighted average short-term borrowing rate of our credit facilities was 2.7% and 2.6% as of June 30, 2014 and December 31, 2013, respectively. We incurred approximately $10.2 million of costs associated with the Loan Agreements that have been capitalized (included in other assets on the condensed consolidated balance sheets) and will be amortized on a straight-line basis over the term of the agreement. On each monthly payment date, the Borrowers shall also pay to the administrative agent, for the benefit of the lenders, certain availability fees for each Loan Agreement equal to 0.50%, divided by 360, multiplied by the excess of the available borrowing capacity under each Loan Agreement over the actual amount borrowed under such Loan Agreement.

Each Loan Agreement contains terms, conditions, covenants, and representations and warranties that are customary and typical for a transaction of this nature. The Loan Agreements contain various affirmative and negative covenants, and limitations on the incurrence of liens and indebtedness, investments, fundamental organizational changes, dispositions, changes in the nature of business, transactions with affiliates, use of proceeds and stock repurchases.

Each Loan Agreement also includes customary events of default, including for the existence of a default in more than 50% of underlying financings. The occurrence of an event of default may result in termination of the Loan Agreements, acceleration of amounts due under both Loan Agreements, and accrual of default interest at a rate of LIBOR plus 2.50% in the case of the G&I Loan Agreement and at a rate of LIBOR plus 5.00% in the case of the PF Loan Agreement.

The Loan Agreements require that we maintain the following financial covenants:

Covenant	Covenant Threshold
Minimum Liquidity (defined as available borrowings under the Loan Agreements plus unrestricted cash divided by actual borrowings) of greater than:	5%
12 month rolling Net Interest Margin of greater than:	zero
Maximum Debt to Equity Ratio of less than:	4 to 1

We were in compliance with the financial covenants of the Loan Agreements at each reporting date that such covenants were applicable. For purposes of the Maximum Debt to Equity ratio, debt is defined as total indebtedness excluding accounts payable and accrued expenses and nonrecourse debt.

Nonrecourse Debt

Asset-Backed Nonrecourse Notes

In December 2013, through certain of our subsidiaries, we issued in a private placement $100 million of nonrecourse Asset-Backed Notes (the “Notes”) with a fixed interest rate of 2.79%. The Notes mature in December 2019 and are secured by certain of our financing receivables included on our balance sheet. The Noteholders can only look to the cash flows of the pledged financing receivables to satisfy the Notes and we are not liable for nonpayment by the obligor of the financing receivables securing these Notes. As of June 30, 2014 and December 31, 2013, we had $97.4 million and $100.1 million, respectively, of Notes outstanding, which were secured by $108.2 million and $109.5 million, respectively, of our financing receivables included on our balance sheet. Upon maturity, the Notes are anticipated to have an outstanding debt balance of approximately $57 million. The Notes may be prepaid prior to December 2018, with a make whole payment calculated using a discount rate equal to the comparable-maturity treasury yield plus 50 basis points. Thereafter the notes are repayable at par. At maturity, we will have the option to rollover the remaining debt with a mutually agreed term and rate or repay the outstanding balance.

We incurred approximately $0.2 million of costs associated with the issuance of the Notes that have been capitalized (included in other assets on the condensed consolidated balance sheets) and will be amortized using the effective interest method over a 72 month period from December 2013.

Other Nonrecourse Debt

We have other nonrecourse debt that was used to finance certain of our financing receivables for the term of the financing receivable. Amounts due under the other nonrecourse notes are secured by certain of our financing receivables with a carrying value of $141.6 million and $156.4 million as of June 30, 2014 and December 31, 2013, respectively, and there is no recourse to our general assets. Debt service payment requirements, in a majority of cases, are equal to or less than the cash flows received from the underlying financing receivables.

General and Administrative Expenses

Our general and administrative expenses include salaries, rent, professional fees and other corporate level expenses, as well as the costs associated with operating as a public company. As of June 30, 2014, we employed 25 people. We intend to hire additional business professionals as needed to assist in the execution of our business. We also expect to incur additional professional fees to meet the reporting requirements of the Exchange Act and comply with the Sarbanes-Oxley Act of 2002. The timing and level of these costs and our ability to pay these costs with cash flow from our operations depends on our execution of our business plan, the number of financings we originate or acquire and our ability to attract qualified individuals to fill these new positions.

Contractual Obligations and Commitments

We lease office space at our headquarters in Annapolis, Maryland under an operating lease entered into in July 2011 and which was amended in October 2013 to incorporate expansion space. The lease provides for operating expense reimbursements and annual escalations that are amortized over the respective lease terms on a straight-line basis. Lease payments under the July 2011 lease commenced in March 2012 and incremental payments related to the expansion space commenced in March 2014. We also lease space at a satellite office in California on a month-to-month basis under an operating lease entered into in November 2011. Lease payments under this lease commenced in February 2012.

The following table provides a summary of our contractual obligations as of June 30, 2014:

	Payment due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 3 Years**	**3 – 5 Years**	**More than 5 years**
			(in thousands)		
Long-Term Debt Obligations(1)	$242,347	$ 46,977	$57,964	$ 25,584	$111,822
Interest on Long-term Debt Obligations(1)	51,181	9,139	13,408	9,933	18,701
Credit Facility	166,190	189	—	166,001	—
Interest on Credit Facility(2)	17,876	4,408	8,815	4,653	—
Deferred Funding Obligations	15,394	15,127	267	—	—
Operating Lease Obligations	3,295	346	814	863	1,272
Total	$496,283	$ 76,186	$81,268	$207,034	$131,795

(1) The Long-Term Debt Obligations are secured by the financing receivables that were financed with no recourse to our general assets. Debt service, in the majority of the cases, is equal to or less than the financing receivables. Interest paid on these obligations was $5.3 million and $4.1 million for the six months ended June 30, 2014 and 2013, respectively. Interest paid on the credit facilities was $1.2 million and $0.1 million for the six months ended June 30, 2014 and 2013, respectively.

(2) Interest is calculated based on the interest rate in effect at June 30, 2014, and includes all interest expense incurred and expected to be incurred in the future based on the current principal balance through the contractual maturity of the credit facility.

Off-Balance Sheet Arrangements

We have relationships with non-consolidated entities or financial partnerships, such as entities often referred to as structured investment vehicles, or special purpose or variable interest entities, established to facilitate the sale of securitized assets. Other than our securitization assets of $6.2 million as of June 30, 2014, that may be at risk in the event of defaults in our securitization trusts, we have not guaranteed any obligations of nonconsolidated entities or entered into any commitment or intent to provide additional funding to any such entities. A more detailed description of our relations with non-consolidated entities can be found in Note 2, *Summary of Significant Accounting Policies—Securitization of Receivables*, included in the notes to the condensed consolidated financial statements included in this report and as described under “MD&A—Critical Accounting Policies and Use of Estimates,” in our 2013 Form 10-K, filed with the SEC.

Dividends

U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its taxable income. In the event that our board of directors determines to make distributions in excess of the income or cash flow generated from our assets, we may make such distributions from the proceeds of future offerings of equity or debt securities or other forms of debt financing or the sale of assets. To the extent that in respect of any calendar year, cash available for distribution is less than our taxable income, we could be required to sell assets or borrow funds to make cash distributions or make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities. We will generally not be required to make distributions with respect to activities conducted through our domestic TRS.

We anticipate that our distributions generally will be taxable as ordinary income to our stockholders, although a portion of the distributions may be designated by us as qualified dividend income or capital gain or may constitute a return of capital. In addition, a portion of such distributions may be taxable stock dividends payable in our shares. We will furnish annually to each of our stockholders a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital, qualified dividend income or capital gain.

Our board of directors declared the following dividends in 2013 and 2014:

Announced Date	Record Date	Pay Date	Amount per share
8/8/13	8/20/13	8/29/13	$ 0.06
11/7/13	11/18/13	11/22/13	$ 0.14
12/17/13	12/30/13	1/10/14	$ 0.22
3/13/14	3/27/14	4/9/14	$ 0.22
6/17/14	6/27/14	7/10/14	$ 0.22

Book Value Considerations

As of June 30, 2014, we carried only our investments available-for-sale and retained assets in securitized receivables at fair value on our balance sheet. As a result, in reviewing our book value, there are a number of important factors and limitations to consider. Other than the $67.6 million in investments available-for-sale and the $5.1 million in residual assets relating to our retained interests in securitized receivables that are on our balance sheet at fair value as of June 30, 2014, the carrying value of our remaining assets and liabilities are calculated as of a particular point in time, which is largely determined at the time such assets and liabilities were added to our balance sheet using a cost basis in accordance with U.S. GAAP. As such, our remaining assets and liabilities do not incorporate other factors that may have a significant impact on their value, most notably any impact of business activities, changes in estimates or changes in general economic conditions or interest rates since the dates the assets or liabilities were initially recorded. Accordingly, our book value does not necessarily represent an estimate of our net realizable value, liquidation value or our market value as a whole.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and Qualitative Disclosures About Market Risk

We anticipate that our primary market risks will be related to commodity prices, the credit quality of our counterparties and project companies, market interest rates and the liquidity of our assets. We will seek to manage these risks while, at the same time, seeking to provide an opportunity to stockholders to realize attractive returns through ownership of our common stock.

Credit Risks

While we do not anticipate facing significant credit risk in our financings related to U.S. federal government energy efficiency projects, we are subject to varying degrees of credit risk in these projects in relation to guarantees provided by ESCOs where payments under energy savings performance contracts are contingent upon energy savings. We are also exposed to credit risk in projects we finance and projects we have under long-term lease arrangements that do not depend on funding from the U.S. federal government. We expect to increasingly target such projects as part of our strategy. In the case of various other sustainable infrastructure projects, we are exposed to the credit risk of the obligor of the project's power purchase agreement or other long-term contractual revenue commitments as well as to the performance of the project. We may also encounter enhanced credit risk as we execute our strategy to increasingly include mezzanine debt or equity investments. We seek to manage credit risk using thorough due diligence and underwriting processes, strong structural protections in our loan agreements with customers and continual, active asset management and portfolio monitoring.

Interest Rate and Borrowing Risks

Interest rate risk is highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control.

We are subject to interest rate risk in connection with new asset originations and our credit facility, and in the future, will be subject to interest rate risk for any new floating or inverse floating rate assets and credit facilities. Because short-term borrowings are generally short-term commitments of capital, lenders may respond to market conditions, making it more difficult for us to secure continued financing. If we are not able to renew our then existing facilities or arrange for new financing on terms acceptable to us, or if we default on our covenants or are otherwise unable to access funds under any of these facilities, we may have to curtail our financing of sustainable infrastructure projects and/or dispose of assets. We face particular risk in this regard given that we expect many of our borrowings will have a shorter duration than the assets they finance. Increasing interest rates may reduce the demand for our investments while declining interest rates may increase the demand. Both our current and future credit facilities may be of limited duration and are periodically refinanced at then current market rates. We expect to attempt to reduce interest rate risks and to minimize exposure to interest rate fluctuations through the use of match funded financing structures, when appropriate, whereby we may seek (1) to match the maturities of our debt obligations with the maturities of our assets and (2) to match the interest rates on our assets with like-kind debt (i.e., we may finance floating rate assets with floating rate debt and fixed-rate assets with fixed-rate debt), directly or through the use of interest rate swap agreements, interest rate cap agreements or other financial instruments, or through a combination of these strategies. We expect these instruments will allow us to minimize, but not eliminate, the risk that we have to refinance our liabilities before the maturities of our assets and to reduce the impact of changing interest rates on our earnings. In addition to the use of traditional derivative instruments, we also seek to mitigate interest rate risk by using securitizations, syndications and other techniques to construct a portfolio with a staggered maturity profile, which allows us to maintain a minimum threshold of recurring principal repayments and capital to redeploy into changing rate environments. We monitor the impact of interest rate changes on the market for new originations and often have the flexibility to increase the term of the project to offset interest rate increases.

All of our nonrecourse debt is at fixed rates and changes in market rates on our fixed debt impact the fair value of the debt but have no impact on our consolidated financial statements. If interest rates rise, and our fixed debt balance remains constant, we expect the fair value of our debt to decrease. As of June 30, 2014 and December 31, 2013, the estimated fair value of our fixed rate nonrecourse debt was $250.7 million and $266.9 million, respectively, which is based on having the same debt service requirements that could have been borrowed at the date presented, at prevailing current market interest rates.

Our July 2013 credit facility is a variable rate loan. Significant increases in interest rates would result in higher interest expense while decreases in interest rates would result in lower interest rate expense. As described above, we may use various financing techniques including interest rate swap agreements, interest rate cap agreements or other financial instruments, or a combination of these strategies to mitigate the variable interest nature of this facility.

We record the residual asset portion of our securitization assets at fair value, which was $5.1 million as of June 30, 2014 and $4.9 million as of December 31, 2013. Any changes in the discount rate would impact the value of these assets in our financial statements and a 10% change in our discount rate assumption would result in a $0.3 million change in the value of these assets recorded in our financial statements as of June 30, 2014.

Liquidity and Concentration Risk

The assets that comprise our asset portfolio are not and will not be publicly traded. A portion of these assets may be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly-traded securities. The illiquidity of our assets may make it difficult for us to sell such assets if the need or desire arises, including in response to changes in economic and other conditions. As of June 30, 2014, a significant portion of our assets financings were held in securitization trusts where we retained only residual economic stakes or were held on our balance sheet and secured by nonrecourse debt. Part of our strategy in undertaking our IPO was to selectively retain a larger portion of the economics in the financings we originate. As a consequence, we are subject to concentration risk and could incur significant losses if any of these projects perform poorly or if we are required to write down the value of any these projects. See also "—Credit Risks" above.

Commodity Price Risk

Investments in sustainable infrastructure projects that act as a substitute for an underlying commodity will expose us to volatility in prices of that commodity. As we target projects with long-term contracted revenues, often with price escalators based on inflation or other factors, commodity price risk has potentially more of an impact on new originations than on existing projects. We monitor the market demand for various types of projects based upon a variety of factors including the outlook for the price of the underlying commodity. We also focus on a blend of technologies and projects to limit our exposure to price adjustments of any one commodity. For example, we believe the current low prices in natural gas will increase demand for some types of our projects, such as combined heat and power, but may reduce the demand for other projects like clean energy which may be a substitute for natural gas. In addition, certain of our projects reduce the use of the commodity so the impact of a reduction in cost of the underlying commodity can often be offset by increasing the term of the financing. Volatility in energy prices may cause building owners and other parties to be reluctant to commit to projects for which repayment is based upon a fixed monetary value for energy savings that would not decline if the price of energy declines so we often blend technologies together that may result in savings of several different commodities.

Risk Management

Our ongoing active asset management and portfolio monitoring processes provide investment oversight and valuable insight into our origination, underwriting and structuring processes. These processes create value through active monitoring of the state of our markets, enforcement of existing contracts and real-time receivables management. Subject to maintaining our qualification as a REIT, and as described above, we engage in a variety of interest rate management techniques that seek to mitigate the economic effect of interest rate changes on the values of, and returns on, some of our assets. While there have been only two incidents of credit loss, amounting to approximately $18.0 million (net of recoveries) on the more than $4.8 billion of transactions we originated since 2000, which represents an aggregate loss of approximately 0.4% on cumulative transactions originated over this time period, there can be no assurance that we will continue to be as successful, particularly as we invest in more credit sensitive assets or more equity positions and engage in increasing numbers of transactions with obligors other than U.S. federal government agencies.

We seek to manage credit risk using thorough due diligence and underwriting processes, strong structural protections in our loan agreements with customers and continual, active asset management and portfolio monitoring.

Item 4. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer, based on their evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) required by paragraph (b) of Rule 13a-15 or Rule 15d-15, have concluded that as of June 30, 2014, the Company's disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to the Company that would potentially be subject to disclosure under the Exchange Act and the rules and regulations promulgated thereunder.

Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in our periodic reports.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The nature of our operations exposes us to the risk of claims and litigation in the normal course of our business. Other than routine litigation arising out of the ordinary course of business, we are not presently subject to any litigation nor, to our knowledge, is any litigation threatened against us.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information in Item 1A. "Risk Factors" of our 2013 Form 10-K, filed with the SEC, which is accessible on the SEC's website at www.sec.gov.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities

The net proceeds of our public offerings were contributed to the Operating Partnership in exchange for OP units and we presently own 98.5% of the Operating Partnership. The remaining non-controlling interest in Operating Partnership are represented by OP units that are owned by other limited partners and are included in non-controlling interest on our condensed consolidated balance sheets.

In January 2014, we agreed to not exercise our right under the Operating Partnership agreement to deliver shares of our common stock in lieu of cash upon a request for redemption of OP units held by certain of our limited partners and instead agreed to redeem such OP units for cash until such time that we have an effective registration statement covering the OP units held by such limited partners. During the three and six months ended June 30, 2014, we redeemed 7,406 and 119,983 OP units held by our non-controlling interest holders for cash of $0.1 million and $1.6 million, respectively. Our non-controlling interest holders held 342,392 OP units as of June 30, 2014.

During the three months ended June 30, 2014, certain of our employees surrendered common stock owned by them to satisfy their statutory minimum federal and state tax obligations associated with the vesting of restricted stock awards issued in connection with our IPO.

The table below summarizes all of our redemption of OP units and repurchases of common stock during 2014:

Period		Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
1/1/14 - 3/31/14	OP unit redemption	112,577	$ 13.52	N/A	N/A
April 2014	Common stock repurchase	15,525	$ 13.18	N/A	N/A
May 2014	OP unit redemption	7,406	$ 13.28	N/A	N/A

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit number	Exhibit description
3.1	Articles of Amendment and Restatement of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
3.2	Bylaws of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
3.3	Amended and Restated Agreement of Limited Partnership of Hannon Armstrong Sustainable Infrastructure, L.P. (incorporated by reference to Exhibit 3.3 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
4.1	Specimen Common Stock Certificate of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Form S-11 (No. 333-186711), filed on April 12, 2013)
10.1*	Unit Purchase Agreement, dated as of May 28, 2014, by and among Hannon Armstrong Sustainable Infrastructure Capital, Inc., American Wind Capital Company, LLC, Northwharf Nominees Limited, DBD AWCC LLC, NGP Energy Technology Partners II, L.P. and C.C. Hinckley Company, LLC
10.2*	Agreement for Professional Services, dated as of May 28, 2014, by and among Hannon Armstrong Capital, LLC and AWCC Capital, LLC
10.3	First Amendment to the Registration Rights Agreement of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (No. 001-35877), filed on June 20, 2014)
10.4	Amendment No. 2 to PF Loan Agreement and Amendment No. 1 to Intercreditor Agreement dated as of May 28, 2014, by and among HASI CF I Borrower LLC, and HAT CF I Borrower LLC and Bank of America, N.A. (incorporated by reference to Exhibit 1.1 to the Registrant's Form 8-K (No. 001-35877), filed on June 3, 2014)
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive and Chief Financial Officer pursuant to section 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
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101 PRE**	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

** Furnished with this report. In accordance with Rule 406T of Regulation S-T, the information in these exhibits is furnished and deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under such section.

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.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
(Registrant)

Date: August 14, 2014

/s/ Jeffrey W. Eckel
Jeffrey W. Eckel
Chairman, Chief Executive Officer and President

Date: August 14, 2014

/s/ J. Brendan Herron
J. Brendan Herron
Chief Financial Officer and Executive Vice President
(Duly Authorized Officer and Chief Accounting Officer)

EXECUTION COPY

Exhibit 10.1

UNIT PURCHASE AGREEMENT

by and between

Northwharf Nominees Limited,
DBD AWCC LLC,
the Management Investor Members Party Hereto,
35 Pratt Street, LLC
NGP Energy Technology Partners II, L.P.

as "Sellers"

and

C.C. Hinckley Company, LLC
as "Management Representative"

and

Hannon Armstrong Capital, LLC
Hannon Armstrong Sustainable Infrastructure Capital, Inc.

as "Purchasers"

Dated as of May 28, 2014

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UNIT PURCHASE AGREEMENT

This Unit Purchase Agreement (this "***Agreement***") dated as of May 28, 2014, is made and entered into by and between Hannon Armstrong Capital, LLC, a Maryland limited liability company ("***HA Capital***"), Hannon Armstrong Sustainable Infrastructure Capital, Inc. a Maryland corporation ("***HASI"***, and together with HA Capital, the "***Purchasers***", and individually, each a "***Purchaser***"), and Northwharf Nominees Limited, an English limited liability company ("***Barclays Member***"), DBD AWCC LLC, a Delaware limited liability company ("***Fortress Member***"), the management investor members party hereto (the "***Management Investor Members***", and together with the Barclays Member and the Fortress Member, the "***Class A Sellers***"), NGP Energy Technology Partners II, L.P. (the "***Blocker Seller***") and 35 Pratt Street, LLC (the "***Management Team Member***" or "***Class B Seller***", and together with the Class A Sellers and the Blocker Seller, the "***Sellers***"), C.C. Hinckley Company, LLC, in its capacity as Management Representative and a Principal Seller, the Barclays Member, in its capacity as a Principal Seller, the Fortress Member, in its capacity as a Principal Seller, and the Blocker Seller, in its capacity as a Principal Seller.

RECITALS

WHEREAS, the Class A Sellers own all of the issued and outstanding Class A Units (other than the Class A Units held directly by ETP AWC Holding Inc., a Delaware corporation (the "***Blocker Corp***")). The Class B Seller owns all of the issued and outstanding Class B Units (together with the Class A Units owned by the Class A Sellers, the "***Purchased Units***") of American Wind Capital Company, LLC, a Delaware limited liability company (the "***Company***");

WHEREAS, the Blocker Seller is the record and beneficial owner of all of the issued and outstanding shares of common stock (such shares of common stock, the "***Shares***") of the Blocker Corp;

WHEREAS, the Purchased Units represent all of the issued and outstanding membership units of the Company (other than the membership units of the Company held by the Blocker Corp), and the Shares represent all of the issued and outstanding equity interests of the Blocker Corp; and

WHEREAS, the Class A Sellers and the Class B Seller desire to sell to HA Capital, and HA Capital desires to purchase from the Class A Sellers and the Class B Seller all of the Purchased Units and the Blocker Seller desires to sell to HASI and HASI desires to purchase from the Blocker Seller all of the Shares, on the terms and subject to the conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I.
DEFINITIONS

1.1 ***Definitions***. As used in this Agreement, the following defined terms have the meanings set forth below:

"***Additional Escrow Amounts***" means the additional escrow amounts (other than the Indemnity Escrow) as set forth in Schedule 6.8.

"***Adjustment Amount***" has the meaning set forth in Section 2.6(c).

"***Affiliate***" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Person. The term "control" means the 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 voting securities, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative thereto.

"***Agreement***" has the meaning set forth in the introduction to this Agreement.

"***Allocation***" has the meaning set forth in Section 2.7(b).

"***Auditor***" has the meaning set forth in Section 2.6(b).

"***Barclays Member***" has the meaning set forth in the introduction to this Agreement.

"***Base Purchase Price***" has the meaning set forth in Section 2.2.

"***Blocker Corp***" has the meaning set forth in the Recitals.

"***Blocker Corp Class A Units***" means the Class A Units held directly by Blocker Corp.

"***Blocker Seller***" has the meaning set forth in the Recitals.

"***Blocker Seller-Prepared Tax Returns***" has the meaning set forth in Section 6.1(b)(iv)(2).

"***Blocker Tax Proceedings***" has the meaning set forth in Section 6.1(c)(i).

"***Business Day***" means a day other than a Saturday, a Sunday or a day on which commercial banking institutions in New York, New York are authorized or obligated by Law to be closed.

"**CIT Loan**" means (i) the loans made pursuant to the CIT Loan Documents, plus (ii) all obligations under any interest rate hedge agreements, swap agreements or similar instruments issued or entered into in connection with the CIT Loan Documents.

"***CIT Loan Documents***" means the "Loan Documents," as such term is defined in that certain Credit Agreement, dated as of August 29, 2013, by and among AWCC Holdings, LLC,

CIT Finance LLC, Investec Bank PLC, the guarantors party thereto and the lenders named therein, including, without limitation, any interest rate hedge agreements and swap agreements that exist respecting such Loan Documents or the CIT Loan.

"***Claim***" means any demand, claim, action, investigation, legal proceeding or arbitration.

"***Claim Certificate***" has the meaning set forth in Section 7.2(d)(iv).

"***Class A Sellers***" has the meaning set forth in the introduction to this Agreement.

"***Class A Units***" means the "Class A Units," as such term is defined in the Company Operating Agreement.

"***Class B Seller***" has the meaning set forth in the introduction to this Agreement.

"***Class B Units***" means the "Class B Units," as such term is defined in the Company Operating Agreement.

"***Closing***" means the closing of the transactions contemplated by Section 2.4.

"***Closing Date***" has the meaning set forth in Section 2.3.

"***Closing Company Indebtedness***" has the meaning set forth in Section 2.6(a).

"***Closing Net Working Capital***" has the meaning set forth in Section 2.6(a).

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Company***" has the meaning set forth in the introduction to this Agreement.

"***Company Benefit Plan***" means any material "employee benefit plan", as defined in Section 3(3) of ERISA, which covers any current or former director, officer, employee or consultant of the Company or any Subsidiary and is sponsored, maintained, contributed to or required to be contributed to by the Company, any Subsidiary or their ERISA Affiliates.

"***Company Indebtedness***" means the aggregate Indebtedness of the Company and the Subsidiaries, exclusive of the CIT Loan; provided, however, that for the avoidance of doubt, Company Indebtedness shall not include any item included in determining Net Working Capital.

"***Company Operating Agreement***" means the Fifth Amended and Restated Limited Liability Company Agreement of the Company, dated as of December 2, 2011 by and among the members party thereto.

"***Company Real Property***" has the meaning set forth in Section 4.15.

"***Company Real Property Lease Transaction***" shall mean a transaction in which a Tenant Project is operating or under construction on (i) Company Real Property or (ii) real property subject to a ground lease under which a Subsidiary is the lessee (such as the lease from Lobo Partners, LLC to AG Land Property Management I, LLC relating to the Red Mesa Project), and with respect to such property or leasehold estate a long-term lease payment stream is in place from an owner of a Tenant Project.

"***Confidentiality Agreement***" has the meaning set forth in Section 6.6.

"***Contract***" means any written agreement, lease, license, evidence of indebtedness, mortgage, indenture, purchase order, binding bid, letter of credit, security agreement or other legally binding arrangement.

"***Determination Date***" has the meaning set forth in Section 2.6(b).

"***Environmental Law***" means any Law concerning pollution or protection of the environment, natural resources or exposure to Hazardous Material, including those Laws relating to the presence, use, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of Hazardous Material.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

"***Escrow Account***" means the account governed by the Escrow Agreement.

"***Escrow Agent***" means The Bank of New York Mellon.

"***Escrow Agreement***" means that certain Escrow Agreement by and between the Principal Sellers, the Purchasers and the Escrow Agent, dated as of the date hereof, in the form attached hereto as Exhibit E.

"***Estimated Closing Company Indebtedness***" has the meaning set forth in Section 2.2.

"***Estimated Closing Net Working Capital***" has the meaning set forth in Section 2.2.

"***Estimated Closing Statement***" has the meaning set forth in Section 2.2.

"***Estimated Purchase Price***" means the Base Purchase Price (i) plus the Estimated Closing Net Working Capital (which, if a negative amount, shall reduce the Base Purchase Price) and (ii) minus the Estimated Closing Company Indebtedness.

"***Estimated NWC Cap***" has the meaning set forth in Section 2.2.

"***Existing Title Policy***" means, with respect to any Non-Material Real Property Asset, the existing title insurance policy for such Non-Material Real Property Asset issued to one or more Sellers as the "insured" and delivered by Sellers to Purchasers on or immediately prior to the date hereof.

"***Expert Firm***" has the meaning set forth in Section 6.1(b)(v).

"***Federal Power Act***" means the Federal Power Act, as amended, and FERC's implementing regulations related thereto.

"***Fee Property***" shall mean the real property that is owned in fee simple by the Company or a Subsidiary, including all real property owned in connection with a Company Real Property Lease Transaction in which the related Tenant Project is either operating or under construction and for which a long-term lease payment stream is in place.

"***Financial Statements***" has the meaning set forth in Section 4.7.

"***FIRPTA Affidavit***" has the meaning set forth in Section 2.4(e).

"***FIRPTA Withholding Tax***" means the withholding tax imposed on purchasers of certain real property interests pursuant to Code Section 1445.

"***Foreign Partner Withholding Tax***" has the meaning set forth in Section 4.10(h).

"***Fortress Member***" has the meaning set forth in the introduction to this Agreement.

"***GAAP***" means generally accepted accounting principles as in effect in the United States on the date of this Agreement, consistently applied throughout the specified period.

"***Governmental Authority***" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or similar governing entity.

"***HA Capital***" has the meaning set forth in the Recitals.

"HASI" has the meaning set forth in the Recitals.

"***Hazardous Material***" means any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos, asbestos containing materials, polychlorinated biphenyls, and any chemicals or other materials or substances which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or words of similar import under any Environmental Law.

"***Historic Payment Spreadsheet***" means that certain spreadsheet entitled "AWCC Monthly Actuals by deal – Inception to 12-31-2013"" and delivered to Purchasers on February 28, 2014.

"***Indebtedness***" means, with respect to any Person as of any date, without duplication, (i) the outstanding principal amount all indebtedness of such Person for borrowed money, whether evidenced by bonds, debentures, notes or other similar instruments, (ii) all reimbursement obligations of such Person under letters of credit to the extent such letters of credit have been drawn, (iii) all liabilities (as such term is defined by GAAP) which are not included in the Net Working Capital calculation and (iv) all liabilities of such Person for guarantees of another Person in respect of liabilities set forth in the foregoing clauses, in each case with respect to clauses (i) through (iv), as calculated in accordance with GAAP; provided, however, that the "Indebtedness" of the Company or any Subsidiary as of the Closing Date shall not be deemed to include the CIT Loan which will be paid in full with the proceeds of the

Estimated Purchase Price paid at Closing. For the avoidance of doubt, obligations under the Project Contracts which are not attributable to periods prior to Closing shall not be considered "Indebtedness".

"***Indemnification Escrow Amount***" means ten percent (10%) of the Estimated Purchase Price.

"***Indemnified Party***" has the meaning set forth in Section 7.2(d)(iv).

"***Indemnifying Party***" has the meaning set forth in Section 7.2(d)(vi).

"***Intellectual Property***" has the meaning set forth in Section 4.13.

"***Knowledge***" means the actual knowledge (as opposed to any constructive, imputed or similar concept of knowledge) of Charles C. Hinckley, Andrew Hinckley, Matthew Brady, Charlie Aldridge, John Bauer and Sharon Rocchetti, after due inquiry, with the understanding that Matthew Brady, an attorney, and John Bauer, an accountant, are not employees of the Company and do not work full-time on Company matters.

"***Latest Balance Sheet***" has the meaning set forth in Section 4.7(b).

"***Laws***" means all laws, statutes, rules, regulations, ordinances, common law, judgments, decrees, orders or any requirements of any Governmental Authority, each as the foregoing may be amended or supplemented from time to time.

"***Liability Cap***" has the meaning set forth in Section 7.2(d)(iv).

"***Liens***" means any mortgage, pledge, claim, assessment, security interest, lien, levy, charge, restriction on transfer or other encumbrance of any kind.

"***Loss***" or "***Losses***" shall mean any and all liabilities, judgments, Claims, penalties, fines, losses, damages (other than consequential or incidental damages) and reasonable costs and expenses, including but not limited to, attorneys' fees and accounting fees and related disbursements.

"***Major Company Real Property***" means all Fee Property held by the Company and the Subsidiaries at the projects listed onSchedule 1.1(c).

"***Management Investor Members***" has the meaning set forth in the introduction to this Agreement.

"***Management Representative***" has the meaning set forth in Section 2.8.

"***Management Representative Expenses***" has the meaning set forth in Section 2.9(c).

"***Management Team Member***" has the meaning set forth in the introduction to this Agreement.

"***Marathon***" has the meaning set forth in Section 3.4.

"***Material Adverse Effect***" means any change or changes after the date of this Agreement that is, or in the aggregate are, materially adverse to the business, results of operations or financial condition of the Company and the Subsidiaries, taken as a whole, or that is reasonably likely to materially and negatively impact the ability of Purchasers to receive the unencumbered marketable title to the Shares or Purchased Units or on Purchasers' ability to operate the Company and its Subsidiaries, taken as a whole, other than (i) any change in conditions affecting any of the industries or markets in which the Company and the Subsidiaries operate, including the commercial real estate industry, the renewable power generation industry, or the United States economy generally; (ii) any change resulting from acts of terrorism, acts of war or the escalation of hostilities; (iii) any change in interest rates or financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (iv) any change in GAAP; (v) any change in any Law after Closing; (vi) any action taken by a party hereto in accordance with this Agreement; (vii) the ability of the Purchasers to perform its obligations under this Agreement; and (viii) any existing event, occurrence, or circumstance with respect to which any Purchaser has knowledge as of the date hereof. The completion of the transactions contemplated by this Agreement shall not be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur.

"***Material Contracts***" has the meaning set forth in Section 4.11(a).

"***Material Royalty Project Lease Agreement***" means, in connection with a Royalty Acquisition Transaction, any lease, easement, landowner agreement or such other analogous contract or instrument entered into between an owner of a Material Tenant Project and a landowner.

"***Material Tenant Project***" means each Tenant Project listed in Schedule 1.1(a).

"***Material Tenant Title Policy***" means, with respect to the Material Tenant Projects (other than for the Cedar Creek 2 Project (Colorado Cattle Company LLC) and Shiloh 2 Project (Vacuum Process Products/Currie Road LLC) referenced in Schedule 1.1 (a)), an ALTA extended coverage owner's or leasehold policy (or irrevocable commitment to issue such policy), as applicable, of title insurance containing only those exceptions approved by Purchasers (other than Permitted Liens included in such title policy which shall be deemed approved by Purchasers) and containing such endorsements as Purchasers may reasonably request and as are available in the state in which the applicable Material Tenant Projects are located at reasonable rates, and in such amounts as are consistent with the Allocation for each applicable Material Tenant Project, which shall be purchased at the expense of Sellers.

"***Net Working Capital***" means the amount equal to (i) the current assets of the Company and its direct and indirect Subsidiaries, including amounts on deposit in Company or Subsidiary accounts on a consolidated basis as at the Closing Date (but excluding the Prepaid Disputed Taxes), less (ii) the current liabilities of the Company and its direct and indirect Subsidiaries on a consolidated basis as at the Closing Date (exclusive of the CIT Loan, which shall be paid at or immediately after Closing), determined consistently with GAAP but excluding any deferred Tax assets and deferred Tax liabilities established to reflect timing differences, and for the avoidance of doubt, shall not include Indebtedness. Current liabilities should reflect all amounts owed by the Company, including those being contested in good faith that give rise to a Permitted Lien.

"***Non-Material Real Property Assets***" means any real property asset owned or leased by the Company or any of its Subsidiaries other than the real property assets relating to the Material Tenant Projects or Other Tenant Projects.

"***Objection Notice***" has the meaning set forth in Section 2.6(b).

"ON Wind Transaction Documents" means, collectively, the Secured Promissory Note and the Pledge Agreement (as such terms are defined in that certain Purchase and Sale Agreement, dated May 21, 2014, by and between AWCC Wind Equity, LLC, a Delaware limited liability company, and ON Wind Holding, LLC, a Delaware limited liability company).

"Operating Wind Project Liabilities" means the ongoing indemnification obligations (or any guarantee thereof) and liabilities of any kind of the Company or any Subsidiary arising under the contracts for sale of the Grant County and On Wind projects as described in Schedule 4.27.

"***Other Related Material Documents***" means, (a) with respect to any Royalty Acquisition Transaction, each co-tenancy agreement, easement agreement, profit-sharing agreement and other material agreement executed between a landowner and a Subsidiary in connection with any Royalty Acquisition Agreement and the transactions related thereto, and (b) with respect to any Company Real Property Lease Transaction, each easement agreement, profit sharing agreement and other material agreement executed between an owner of a Tenant Project and a Subsidiary in connection with any Project Lease Agreement and the transactions related thereto.

"***Other Tenant Projects***" means each Tenant Project listed on Schedule 1.1(b).

"***Other Tenant Title Policy***" means, with respect to the Other Tenant Projects (and the Cedar Creek 2 Project (Colorado Cattle Company LLC) and Shiloh 2 Project (Vacuum Process Products/Currie Road LLC) referenced in Schedule 1.1(a)), an ALTA extended coverage owner's or leasehold policy (or irrevocable commitment to issue such policy), as applicable, of title insurance in such amounts as are consistent with the Allocation for each applicable Other Tenant Project (or the Cedar Creek 2 Project (Colorado Cattle Company LLC) and Shiloh 2 Project (Vacuum Process Products/Currie Road LLC) referenced in Schedule 1.1(a)), which shall be purchased at the expense of Sellers.

"***Parties***" means the Purchasers, the Sellers and the Principal Sellers.

"***Pass-through Tax Proceedings***" has the meaning set forth in Section 6.1(c)(i).

"***Pass-through Taxes***" has the meaning set forth in Section 6.1(b)(i).

"***Percentage Share***" means with respect to each Seller, the percentage set forth opposite each Seller's name on Exhibit A.

"***Permitted Lien***" means:

(a) Liens for Taxes that are being contested in good faith by appropriate proceedings for which a reserve has been established to the extent required by GAAP and that are listed on Schedule 1.1(d), or Liens for Taxes that are not yet due or delinquent;

(b) those options, prepayment rights, purchase rights, rights of first refusal and rights of first offer that are listed on Schedule 1.1(d);

(c) all exceptions, restrictions, easements, charges, rights-of-way and nonmonetary encumbrances which are set forth in any permits, licenses, governmental authorizations, registrations or approvals (excepting those arising from breaches or violations of the same) and which are either set forth as exception in a preliminary title report, a title commitment or title policy for a Project or are set forth on Schedule 1.1(d);

(d) inchoate mechanics', materialmen's, carriers', workers', repairers', landlord's, warehousemen and other similar Liens arising or incurred in the ordinary course of business relating to obligations as to which there is no material default on the part of the Company or any Subsidiary or the validity of which are being contested in good faith by appropriate proceedings; (provided that any such payments in dispute for periods prior to the Closing are included in Net Working Capital or set forth in Schedule 1.1(d));

(e) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations as disclosed in Schedule 1.1(d);

(f) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by the Company or the Subsidiaries, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements;

(g) purchase money security interests in respect of personal property arising or incurred in the ordinary course of business and any Liens accounted for as capitalized leases disclosed in Schedule 1.1(d);

(h) easements, rights-of-way, restrictions, encroachments, and other defects or irregularities in title, in each case which will not interfere with the operations on the property in a manner that is likely to adversely (or in the case of property that is not related to Material Tenant Projects or Other Tenant Projects, materially adversely) affect the use or value of the subject property or are approved by the Purchasers, including any zoning, conservation restrictions or similar law or right reserved to or vested in any Governmental Authority and, to the extent constituting Liens, any obligations or duties of any Person to any municipality or public authority with respect to any franchise, grant, license or permit provided by such municipality or public authority to such Person in furtherance of the ordinary course conduct of the business of such Person (excepting those arising from breaches or violations of the same);

(i) the terms and conditions of the Material Contracts, including rights of certain owners of Material Tenant Projects to require the Subsidiary that owns the related Fee Property to grant certain easements in connection with the construction and development of such Material Tenant Projects;

(j) Liens arising out of judgments or awards so long as an appeal or proceeding for review is being prosecuted in good faith and for the payment of which reserves in accordance with GAAP or bonds have been provided or are fully covered by insurance which are disclosed on Schedule 1.1(d);

(k) Mortgage liens and Liens created by a contract for deed, in each case, on real property owned by a Person other than the Company or any Subsidiary, to the extent incurred by the applicable landowner so long as except as disclosed in Schedule 1.1(d) a recorded subordination, non-disturbance and attornment agreement exists for such Lien with respect to the applicable Material Royalty Project Lease Agreement or the applicable Project Lease Agreement;

(l) any Liens that are released or otherwise terminated on or, with regard to the CIT Loan Documents, immediately after, the Closing Date;

(m) all matters set forth on Schedule B to the Material Tenant Title Policies or the Other Tenant Title Policies;

(n) all matters set forth on Schedule B to the Existing Title Policies; and

(o) other Liens securing liabilities incurred in the ordinary course of business in an aggregate amount not to exceed $100,000 at any time outstanding, provided that any such amounts outstanding are included in Net Working Capital.

"***Permits***" has the meaning set forth in Section 4.17.

"***Person***" means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association or Governmental Authority.

"***Prepaid Disputed Taxes***" has the meaning set forth in Schedule 6.8.

"***Principal Seller(s)***" shall have the meaning set forth in Section 2.9.

"***Project Contracts***" means all Contracts described in clauses (a) through (d) below to which, as of the date of this Agreement, the Company or any of the Subsidiaries are a party:

(a) each Royalty Acquisition Agreement in respect of a Tenant Project;

(b) each Project Lease Agreement in respect of a Tenant Project;

(c) with respect to the Red Mesa Project, the ground lease from Lobo Partners, LLC to AG Land Property Management I, LLC; and

(d) each Other Related Material Documents in respect of a Tenant Project.

"***Project Lease Agreement***" means, in connection with each Company Real Property Lease Transaction, any lease, easement, landowner agreement, or such other analogous contract or instrument (including all amendments and modifications thereto) providing for, contemplating

and/or governing the lease, use or other disposition of Company Real Property (or, with respect to real property subject to a ground lease under which a Subsidiary is the lessee, the related leasehold estate) by the owner of the Tenant Project in exchange for rent, royalty payments or other consideration.

"***Project Model***" shall mean the financial model for the Projects prepared by the Company and titled "AWCC Portfolio Model 2014-05-19.xlsx" "and delivered to Purchasers on May 19, 2014.

"***Proposed Closing Statement***" has the meaning set forth in Section 2.6(a).

"***Purchase Price***" has the meaning set forth in Section 2.2.

"***Purchased Units***" has the meaning set forth in the Recitals.

"***Purchasers***" has the meaning set forth in the introduction to this Agreement.

"***Purchasers-Prepared Blocker Tax Returns***" has the meaning set forth in Section 6.1(b)(iv)(3).

"***Purchasers-Prepared Tax Returns***" has the meaning set forth in Section 6.1(b)(ii).

"***Purchasers Indemnitees***" has the meaning set forth in Section 7.2(b).

"***Representatives***" mean a Party's officers, employees, counsel, accountants, financial advisors and consultants.

"***Royalty Acquisition Agreement***" means, in connection with each Royalty Acquisition Transaction, any royalty acquisition agreement, lease assignment agreement or similar agreement, any lease or such other similar agreement, loan agreement, promissory note, contract or instrument (including all amendments and modifications thereto) providing for, contemplating and/or governing the sale or other disposition or monetization by a landowner (and the purchase, acquisition and/or investment by a Subsidiary) of rent payments, royalty payments, easement payments or similar payments, or the payment by a landowner of amounts in respect of a loan made by a Subsidiary to a landowner intending to monetize such rent payments, royalty payments easement payments or similar payments, in each case related to one or more Tenant Projects.

"***Royalty Acquisition Transaction***" shall mean (i) a transaction in which a Subsidiary has purchased from a landowner a long-term royalty, lease or easement payment stream relating to royalty, lease or easement income from the related Tenant Project operating or under construction on the related landowner's land, and (ii) any transaction similar to the transaction described in clause (i) that was structured as a loan or a membership interest purchase transaction by a Subsidiary to the related landowner to monetize a royalty, lease or easement payment stream.

"***Schedules***" mean the disclosure schedules prepared by the Company and attached to this Agreement.

"***Schedules Supplement***" has the meaning set forth in Section 6.1(a).

"***Securities Act***" has the meaning set forth in Section 5.9.

"***Seller-Prepared Tax Returns***" has the meaning set forth in Section 6.1(b)(ii).

"***Seller Tax Claims***" has the meaning set forth in Section 6.1(c).

"***Sellers***" has the meaning set forth in the Recitals.

"***Sellers Escrow Account***" means the account governed by the Sellers Escrow Agreement.

"***Sellers Escrow Agreement***" means that certain Escrow Agreement by and between the Principal Sellers, on behalf of the Sellers, and the Escrow Agent, dated on or about the date hereof.

"***Sellers Related Documents***" means, collectively, the Escrow Agreement, the Sellers Escrow Agreement, the ON Wind Transaction Documents and any other document or agreement relating to the transactions contemplated by this Agreement or the foregoing listed agreements.

"***Shares***" has the meaning set forth in the Recitals.

"***Straddle Period***" has the meaning set forth in Section 6.1(b)(ii).

"***Subsidiaries***" means, collectively, each of the direct and indirect subsidiaries of the Company, which are set forth on Schedule 4.5(b).

"***Tax***" means any federal, state, local or foreign taxes, and other assessments of a similar nature, together with any interest, penalties, additions to tax or additional amounts imposed with respect thereto, in each case imposed by a Governmental Authority, including all income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, customs duties, capital stock, ad valorem, value added, inventory, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, alternative or add-on minimum or estimated taxes.

"***Tax Dispute Escrow Amount***" has the meaning set forth in Schedule 6.8.

"***Tax Return***" means any return, declaration, report, statement or other document filed or required to be filed with a Governmental Authority in connection with the assessment or collection of any Tax, together with all any schedule or attachment thereto and any amendment thereof.

"***Tenant Project***" shall mean the applicable portion of any wind power or solar power project operated in connection with a Royalty Acquisition Transaction or a Company Real Property Lease Transaction, in which a Subsidiary has an ownership interest or is entitled to revenues pursuant to such Royalty Acquisition Transaction or a Company Real Property Lease Transaction.

"***Third Party Claim***" has the meaning set forth in Section 7.2(e)(i).

"***Transfer Taxes***" means all transfer, sales, use, value added, documentary and stamp Taxes, all conveyance fees and recording charges and all other similar Taxes (including any real property or leasehold interest transfer or gains Tax and any similar Tax), fees and charges (including any penalties and interest) incurred in connection with the transactions contemplated by this Agreement; provided, however, income, franchise and all other similar Taxes shall not be deemed to be Transfer Taxes.

1.2 ***Construction***. All article, section, subsection, schedule and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The Schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Unless the context of this Agreement clearly requires otherwise, (a) the singular shall include the plural and the plural shall include the singular wherever and as often as may be appropriate, (b) the words "includes" or "including" shall mean "including without limitation," (c) the words "hereof," "hereby," "herein," "hereunder" and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or article in which such words appear, (d) any reference to a Contract includes any amendments, supplements or modifications thereto, and (e) any reference to a statute, regulation or law shall include any amendment thereof or any successor thereto and any rules and regulations promulgated thereunder. Currency amounts referenced herein, unless otherwise specified, are in United States Dollars. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP.

ARTICLE II.
SALE OF PURCHASED UNITS AND SHARES; PURCHASE PRICE AND CLOSING

2.1 ***Purchase and Sale***. On the terms and subject to the conditions set forth in this Agreement, the following transactions shall occur in the following order: (a) each Seller (other than the Blocker Seller) will sell, transfer, convey, assign and deliver to HA Capital, free and clear of all Liens, and HA Capital will purchase and accept, at the Closing, that number of Purchased Units owned by such Seller as set forth opposite such Seller's name on Exhibit A and (b) the Blocker Seller will sell, transfer, convey, assign and deliver to HASI, free and clear of all Liens, and HASI will purchase and accept, at the Closing, all of the Shares owned by the Blocker Seller as set forth opposite the Blocker Seller's name on Exhibit A, which Shares shall constitute all of the outstanding equity interests (and rights to acquire equity interests) of the Blocker Corp.

2.2 ***Purchase Price***. The aggregate purchase price to be paid by the Purchasers to the Sellers for the Purchased Units and the Shares (the "***Base Purchase Price***") shall be One Hundred Six Million Six Hundred Fifty Thousand Dollars ($106,650,000.00), and represents the enterprise value of the Company, assuming zero Net Working Capital and no Indebtedness. The Base Purchase price is subject to further adjustment pursuant to Section 2.6 (the Base Purchase Price as so adjusted is referred to as the "***Purchase Price***"). The Sellers shall have caused the Company to prepare in good faith and deliver to Purchasers on the Closing Date a statement (the

"***Estimated Closing Statement***") set forth on Schedule 2.2 that sets forth the estimated Net Working Capital as of the Closing Date ("***Estimated Closing Net Working Capital***"), the estimated Company Indebtedness as of the Closing Date (the "***Estimated Closing Company Indebtedness***"), and the resultant Estimated Purchase Price (which shall reflect the Base Purchase Price decreased by the Estimated Closing Company Indebtedness and adjusted by the Estimated Closing Net Working Capital) as of the Closing Date; provided, however, that if the Estimated Closing Net Working Capital exceeds Five Hundred Thousand Dollars ($500,000.00) (the "***Estimated NWC Cap***"), then the Estimated Closing Net Working Capital shall be equal to the Estimated NWC Cap solely for purposes of calculating the Estimated Purchase Price and the Adjustment Amount. The Estimated Closing Statement shall be binding on the Purchasers and the Sellers as delivered by the Company. The Purchasers shall pay the Estimated Purchase Price on the Closing Date as set forth on the Estimated Closing statement, which shall include a payment to or for at least all of the following prior to Sellers receiving any funds: (a) first, to the Escrow Agent, the Indemnification Escrow Amount plus the Additional Escrow Amounts and (b) second, as required to pay off all obligations under the CIT Loan Documents. The remaining balance shall be apportioned among the Sellers as set forth on Exhibit A and shall paid over to Sellers, in each case, net of FIRPTA Withholding Tax applicable to the relevant Seller, by wire transfer in immediately available funds to the accounts set forth on Exhibit A.

2.3 ***Closing***. The Closing will take place at the offices of Latham & Watkins LLP, 555 Eleventh Street, N.W., Suite 1000, Washington, D.C., 20004-1304, or at such other place as the Purchasers and the Sellers mutually agree, at 10:00 A.M. local time, on the date hereof (the "Closing Date").

2.4 ***Closing Deliveries by the Sellers to the Purchasers.*** At the Closing, each Seller shall deliver, or cause to be delivered, to the Purchasers the following:

(a) RESERVED;

(b) in the case of the Blocker Corp only, share certificates representing all of the Shares, duly endorsed in blank or with stock powers duly executed in blank;

(c) a copy of the board resolution/meeting minutes of the Barclay's Member, a certificate of the secretary of the immediate parent company of the Fortress Member, a legal opinion of counsel to the Blocker Seller, and a certificate of the managing member of the Management Team Member and the Management Representative, certifying or opining, as applicable as to (i) the certificate of incorporation or certificate of formation, as applicable, and the bylaws or limited liability company operating agreement, as applicable, of each such Person, (ii) the resolutions of the managers or board of directors, as applicable, of each such Person, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and (iii) the incumbency and signature of the officers or managers, as applicable, of each such Person executing this Agreement and the other agreements to be executed on the Closing Date as contemplated herein, and true, correct and complete copies of all documents so certified;

(d) a certificate of the secretary of the Company as to the current members of the board and officers of the Company and its Subsidiaries, and the resignation of each member of the board of managers of the Company and each Subsidiary and of each officer of the Company and each Subsidiary;

(e) a certificate of non-foreign status from such Seller (or, if applicable, the beneficial owner of the Purchased Interests or Shares being sold by such Seller) that satisfies the requirements of Treasury Regulation Section 1.1445-2(b)(2) (a "***FIRPTA Affidavit***"); provided, that any Seller that is not eligible to deliver a FIRPTA Affidavit shall deliver an applicable IRS Form W-8 and such other information reasonably requested by Purchasers to enable Purchasers to comply with its tax reporting and withholding obligations obligation; provided further, that Purchaser's sole right if any such Seller fails to provide a FIRPTA Affidavit shall be to withhold the applicable FIRPTA Withholding Tax;

(f) new surveys for the Tenant Projects listed on Schedule 2.4(f);

(g) the Material Tenant Title Policies and the Other Tenant Title Policies;

(h) estoppel certificates in the form set forth in Exhibit D from the Company counterparties for each of the Material Tenant Projects (other than for the Cedar Creek 2 Project (Colorado Cattle Company LLC) and Shiloh 2 Project (Vacuum Process Products/Currie Road LLC) referenced in Schedule 1.1(a));

(i) Phase I environmental reports for all real property owned in fee simple by the Company in any of the projects listed on Schedule 2.4(i);

(j) a payoff demand and instructions for payment immediately following Closing of all obligations under the CIT Loan Documents;

(k) a counterpart signature page of the Escrow Agreement executed by the Principal Sellers and Escrow Agent; and

(l) all other previously undelivered items required to be delivered by the Sellers or the Company to the Purchasers at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith unless waived in writing by the Purchasers.

2.5 ***Closing Deliveries by the Purchasers to the Sellers.*** At the Closing, the Purchasers, shall deliver, or cause to be delivered, to the Principal Sellers (or in the case of Section 2.5(a), the Escrow Agent, or Section 2.5(b), the Sellers), the following:

(a) the Indemnification Escrow Amount and the Additional Escrow Amounts in accordance with Section 2.2;

(b) the Estimated Purchase Price in accordance with Section 2.2 less the Indemnification Escrow Amount and the Additional Escrow Amounts;

(c) a certificate of the secretary of each of the Purchasers, dated as of the Closing Date, certifying as to (i) the certificate of formation and operating agreement of each Purchaser, (ii) the resolutions of the manager of each Purchaser, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions

contemplated hereby, and (iii) the incumbency and signature of the officers or manager, as applicable, of each Purchaser executing this Agreement and the other agreements to be executed on the Closing Date as contemplated herein, and true, correct and complete copies of all documents so certified;

(d) a counterpart signature page of the Escrow Agreement executed by the Purchasers and Escrow Agent; and

(e) all other previously undelivered items required to be delivered by the Purchasers to the Sellers at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith unless waived in writing by the Sellers.

2.6 ***Purchase Price Adjustment.***

(a) As soon as reasonably practicable following the Closing Date, and in any event within sixty (60) days thereof, the Purchasers shall prepare and deliver to the Principal Sellers a statement (the "***Proposed Closing Statement***") setting forth a calculation of the Net Working Capital as of the Closing Date ("***Closing Net Working Capital***") and the Company Indebtedness as of the Closing Date ("***Closing Company Indebtedness***"). For the avoidance of doubt, should the current employment contract between the Company and Andrew Hinckley not be terminated within seven (7) days after the Closing Date, then an amount equal to Andrew Hinckley's base salary under such employment contract for a period of 30 days shall be included in Closing Company Indebtedness for purposes of the Proposed Closing Statement. The Proposed Closing Statement shall be prepared in a manner consistent with the Latest Balance Sheet and GAAP, which shall control as to any conflict as to the principles, practices, policies, judgments or methodologies to be applied in the preparation of the Proposed Closing Statement and the determination of the Closing Net Working Capital and the Closing Company Indebtedness.

(b) If the Principal Sellers shall disagree with the calculation of the Closing Net Working Capital and/or the Closing Company Indebtedness, the Principal Sellers shall notify the Purchasers of such disagreement in writing, setting forth in reasonable detail the particulars of such disagreement, within twenty (20) Business Days after receipt of the Proposed Closing Statement (an "***Objection Notice***"). If the Principal Sellers do not provide an Objection Notice within such period, the Principal Sellers shall be conclusively deemed to have accepted the Proposed Closing Statement and the calculation of the Closing Net Working Capital and the Closing Company Indebtedness delivered by the Purchasers, which shall be final, binding and conclusive for all purposes hereunder. If such notice of disagreement is timely provided, the Purchasers and the Principal Sellers shall seek in good faith for a period of fifteen (15) Business Days (or such longer period as they may mutually agree) to resolve any such disagreements. If, at the end of such period, they are unable to resolve such disagreements, then BDO USA, LLP (or such other independent accounting or financial consulting firm of recognized national standing as may be mutually selected by the Purchasers and the Principal Sellers) (the "***Auditor***") shall resolve any remaining disagreements that were included in the Objection Notice. Each of the Purchasers and the Principal Sellers shall promptly submit to each other and the Auditor in writing their respective proposal for resolution of the dispute regarding the Closing Net Working Capital and/or the Closing Company Indebtedness. The Auditor shall establish the timing and

process of reviewing any disagreement and shall be instructed to provide its final determination with respect to any disagreement as soon as practicable and in any event within thirty (30) Business Days following the date on which the disagreement is referred to the Auditor; provided, however, that (i) the Auditor shall base its determination solely on the written submissions of the parties and shall not conduct an independent investigation and (ii) the Auditor shall have no authority to vary or ignore the terms of this Agreement. Each of the Purchasers and the Principal Sellers agrees to promptly make available to each other and to the Auditor all documents, books, records and personnel under that party's control as the Auditor shall determine in its judgment to be necessary or relevant to its review of the disagreement and otherwise to cooperate with the other party and the Auditor to facilitate a prompt resolution of the disagreement. The determination of the Auditor shall be final, conclusive and binding on the Parties hereto. The date on which the Closing Net Working Capital and Closing Indebtedness are finally determined in accordance with this Section 2.6(b) (whether by the Principal Sellers' failure to timely deliver an Objection Notice, by agreement of the Purchasers and the Principal Sellers or by the Auditor) is referred to as the "***Determination Date***." The fees and expenses of the Auditor shall be borne by the Purchasers, on the one hand, and the Sellers, on the other hand, based upon the percentage which the aggregate portion of the contested amount not awarded to each party bears to the aggregate amount actually contested by such party. Following the Closing, the Purchasers shall provide the Principal Sellers and their Representatives reasonable access to the records, properties, personnel and (subject to the execution of customary work paper access letters, if requested) auditors of the Company during regular business hours relating to the Principal Sellers' review of the Proposed Closing Statement and shall cause the personnel of the Purchasers and the Company to reasonably cooperate with the Principal Sellers in connection with their review of the Proposed Closing Statement.

(c) The "***Adjustment Amount***," which may be positive or negative, shall mean (i) the Closing Net Working Capital (as finally determined in accordance with Section 2.6(b)) minus the Estimated Closing Net Working Capital used in calculating the Estimated Purchase Price in accordance with Section 2.2 (recognizing, for the avoidance of doubt, that the Estimated Closing Net Working Capital shall not exceed the Estimated NWC Cap), plus (ii) the Estimated Closing Company Indebtedness minus the Closing Company Indebtedness (as finally determined in accordance with Section 2.6(b)). The Adjustment Amount shall be paid in accordance with Section 2.6(d).

(d) If the Adjustment Amount is a positive number, the Purchasers shall pay the Adjustment Amount to the Sellers to the accounts set forth onExhibit A, such payments to be distributed to each Seller based on such Seller's Percentage Share as set forth on Exhibit A. If the Adjustment Amount is a negative number, the Sellers shall pay the Adjustment Amount to the Purchasers to an account designated by the Purchasers. All payments pursuant to this Section 2.6(d) shall be paid by wire transfer of immediately funds promptly following the Determination Date, and in any event within five (5) Business Days following the Determination Date. In the event Sellers owe a payment pursuant to this Section 2.6 and any Sellers fail to make such payment within ten (10) Business Days following the Determination Date, the Purchasers may deduct the amount of such payment from the Indemnification Escrow Amount. In the event the Purchasers owe a payment pursuant to this Section 2.6 and the Purchasers fail to make such payment within ten (10) Business Days following the Determination Date, Sellers may deduct the amount of such payment from the Indemnification Escrow Amount, and Purchasers shall thereafter promptly reimburse such amount by making a corresponding deposit to the Escrow Account.

2.7 ***Tax Treatment.***

(a) The Parties hereto acknowledge and agree the for U.S. federal income Tax purposes (and to the extent permitted for state and local income Tax purposes) (i) the Company shall terminate as a partnership within the meaning of Code Section 708(b)(1)(B) as of the end of the day on the Closing Date, (ii) the Sellers (other than the Blocker Seller) shall be treated as having sold their interests in the Company and shall report any gain or loss resulting therefrom in accordance with Section 741 of the Code, and the Blocker Seller shall be treated as having sold the Shares of the Blocker Corp and shall report any gain or loss resulting therefrom in accordance with Section 1001 of the Code, (iii) the Purchasers shall be treated as having purchased the Purchased Units and the Shares from the Sellers, and (iv) the Company shall continue in existence as a partnership and shall make (or has made) an election under Section 754 of the Code effective no later than the taxable year of the Company that includes the Closing Date.

(b) The purchase price (as determined for federal income Tax purposes) shall be allocated among the Shares and the Purchased Units and, to the extent allocated to the Purchased Units, the assets of the Company and the Subsidiaries consistent with Sections 751, 755 and 1060 of the Code and the Treasury Regulations promulgated thereunder, as set forth on Exhibit C hereto (the "***Allocation***"). The Allocation shall be binding on the Purchasers, the Company, the Blocker Corp., and the Sellers and their Affiliates for all income Tax and title insurance purposes, but not for purposes of GAAP financial statements or any disclosures related thereto. The Purchasers, the Company, the Blocker Corp and the Sellers and their Affiliates shall report, act, and file Tax Returns in all respects and for all income Tax purposes consistent with the Allocation and shall not take any position contrary thereto; provided, however that nothing contained herein shall be construed so as to require any party to commence or participate in any litigation or administrative process challenging any determination made by any Governmental Authority contrary to the Allocation.

2.8 ***Management Representative***. C.C. Hinckley Company, LLC is hereby appointed to act as the representative of the Management Investor Members and the Management Team Member (the "***Management Representative***") under this Agreement and the Sellers Related Documents. By execution of this Agreement, the Management Representative hereby agrees to serve as the Management Representative pursuant to the terms of this Agreement. By virtue of the adoption of this Agreement and the approval of this Agreement by the Management Investor Members and the Management Team Member, each Management Investor Member and Management Team Member appoints, as of the date of this Agreement, the Management Representative as his, her or its true and lawful agents and attorneys-in-fact to enter into the Sellers Related Documents and any other agreement in connection with the transactions contemplated by this Agreement or the Sellers Related Documents, to exercise all or any of the powers, authority and discretion conferred on him or her under any such agreement, to give and receive notices on his, her or its behalf and to be his, her or its exclusive representatives with respect to any matter, suit, claim, action or proceeding arising with respect to any transaction contemplated by any such agreement, including, without limitation, the defense, settlement or

compromise of any claim, action or proceeding for which the Purchasers may be entitled to indemnification and, by virtue of its execution of the Agreement, the Management Representative agrees to act as, and to undertake the duties and responsibilities of, such agent and attorney-in-fact. All actions, decisions and instructions of the Management Representative shall be conclusive and binding upon all of the Management Investor Members and Management Team Member. Each Management Investor Member and Management Team Member hereby releases the Management Representative from, and each Management Investor Member and Management Team Member agrees to indemnify the Management Representative against, liability for any action taken or not taken by it, in good faith, in its capacity as such agents.

2.9 ***Principal Sellers.***

(a) The Barclays Member, the Fortress Member, the Blocker Seller and the Management Representative are hereby appointed to act as representatives of the Sellers (collectively, the "***Principal Sellers***") under this Agreement in accordance with the terms of this Section 2.9. The Purchasers shall be entitled to rely on the unanimous instruction of the Principal Sellers, without any investigation or inquiry. By execution of this Agreement, the Barclays Member, the Fortress Member, the Blocker Seller and the Management Representative hereby agree to serve as the Principal Sellers pursuant to the terms of this Agreement.

(b) The Principal Sellers, acting unanimously, shall be authorized to:

(i) take all actions required by, and exercise all rights granted to, the Principal Sellers in this Agreement and/or the Sellers Related Documents;

(ii) receive all notices or other documents given or to be given to the Principal Sellers by Purchasers pursuant to this Agreement and/or by any counterparty pursuant to the Sellers Related Documents;

(iii) negotiate, undertake, compromise, defend, resolve and settle any suit, proceeding or dispute under this Agreement and/or the Sellers Related Documents;

(iv) execute and deliver all agreements, certificates and documents required or deemed appropriate by the Principal Sellers in connection with any of the transactions contemplated by this Agreement and/or the Sellers Related Documents;

(v) engage special counsel, accountants and other advisors and incur such other expenses in connection with any of the transactions contemplated by this Agreement and/or the Sellers Related Documents; and

(vi) take such other action as the Principal Sellers may deem appropriate, including (A) agreeing to any modification or amendment of this Agreement and/or the Sellers Related Documents and executing and delivering an agreement of such modification or amendment and (B) all such other matters as the Principal Sellers may deem necessary or appropriate to carry out the intents and purposes of this Agreement and/or the Sellers Related Documents.

(c) The Management Representative shall be entitled to receive reimbursement from the Sellers for any and all expenses, charges and liabilities, including reasonable attorneys' fees, incurred by the Management Representative in the performance or discharge of its rights and obligations under this Agreement and/or the Sellers Related Documents ("***Management Representative Expenses***").

(d) By virtue of the adoption of this Agreement and the approval of this Agreement by the Sellers, each Seller appoints, as of the date of this Agreement, the Principal Sellers as his, her or its true and lawful agents and attorneys-in-fact to enter into any agreement in connection with the transactions contemplated by this Agreement and/or the Sellers Related Documents, to exercise all or any of the powers, authority and discretion conferred on him or her under any such agreement, to give and receive notices on his, her or its behalf and to be his, her or its exclusive representatives with respect to any matter, suit, claim, action or proceeding arising with respect to any transaction contemplated by any such agreement, including, without limitation, the defense, settlement or compromise of any claim, action or proceeding for which the Purchasers, may be entitled to indemnification and, by virtue of its execution of the Agreement, the Principal Sellers agree to act as, and to undertake the duties and responsibilities of, such agents and attorneys-in-fact. All actions, decisions and instructions of the Principal Sellers shall be conclusive and binding upon all of the Sellers.

(e) Each Seller hereby releases the Principal Sellers from, and each Seller agrees to indemnify the Principal Sellers against, liability for any action taken or not taken by them, in good faith, in their capacity as such agents.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES REGARDING THE SELLERS

With respect to the representations and warranties set forth in Sections 3.1, 3.2, 3.3, 3.4, 3.6 and 3.7 each Seller hereby represents and warrants to the Purchasers, as to itself as follows:

3.1 ***Authority***. Such Seller has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by such Seller of this Agreement, and the performance by such Seller of its obligations hereunder, have been duly and validly authorized by all necessary corporate or limited liability company action on behalf of such Seller. This Agreement has been duly and validly executed and delivered by such Seller and constitutes the legal, valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or other similar Law relating to or affecting the rights of creditors generally, or by general equitable principles.

3.2 ***No Conflicts***. The execution and delivery by such Seller of this Agreement does not, and the performance by such Seller of its obligations under this Agreement and the consummation of the transactions contemplated hereby will not:

(a) if such Seller is not an individual, conflict with or result in a violation or breach of any of the terms, conditions or provisions of its certificate of incorporation, bylaws, limited liability company agreement or certificate of formation, as applicable;

(b) be in violation of or result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which such Seller is a party or by which any Seller or its Purchased Units or Shares may be bound, or result in the creation of a Lien on the Purchased Units or the Shares, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or will be obtained prior to Closing, or any defaults (or rights of termination, cancellation, or acceleration) which would not reasonably be expected to have a material adverse effect on the ability of such Seller to perform its obligations under this Agreement; or

(c) conflict with or result in a violation or breach of any term or provision of any Law or writ, judgment, order or decree applicable to such Seller, which violation would reasonably be expected to have a material adverse effect on the ability of such Seller to perform its obligations under this Agreement.

3.3 ***Capitalization***. Except as set forth inSchedule 3.3, such Seller owns beneficially and of record the Purchased Units or the Shares, as applicable, set forth opposite its name on Exhibit A, and has not granted any options to sell or agreed to sell the Purchased Units or the Shares, as the case may be, to any third party. The Purchased Units are not subject to any claim, lien or encumbrance of any kind. At Closing, such Seller shall transfer title to such Purchased Units and Shares, as the case may be, free and clear of all Liens.

3.4 ***Brokers***. Except for Marathon Capital, LLC ("***Marathon***"), which was retained by the Company for the benefit of the Sellers, such Seller has not employed any broker, finder, investment banker, or financial advisor as to whom such Seller may have any obligation to pay any brokerage or finder's fees, commissions or similar compensation in connection with the transactions contemplated hereby.

3.5 ***Blocker Corp***. The Blocker Seller hereby represents and warrants to the Purchasers as follows:

(a) The Blocker Corp is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware.

(b) The Blocker Corp does not hold, and has never held, the right or obligation to acquire any stock, partnership interest or joint venture interest, other equity interest, note or other instruments in, or to make a capital contribution in, any other Person, other than the Blocker Corp Class A Units or as set forth on the Schedule 3.5(b).

(c) The Blocker Corp does not own, and has never owned, any stock, partnership interest or joint venture interest, other equity interest, note or other instruments in any other Person, other than the Blocker Corp Class A Units or as set forth on the Schedule 3.5(c).

(d) The issued and outstanding equity interests of the Blocker Corp consist solely of the Shares, which are wholly owned of record and beneficially by the Blocker Seller. The Blocker Corp, has never owned any other assets or equity interest and has never incurred any liabilities other than relating to, or conducted any business other than owning, the Blocker Corp Class A Units.

(e) Except as set forth in Schedule 3.5(e), the Blocker Seller is the sole lawful record and beneficial owner of, and has good and valid title to, the Shares. The Shares are not subject to any claim, lien or encumbrance of any kind. There are no outstanding subscriptions, options, warrants, conversion rights, convertible securities, preemptive rights, preferential rights or other material rights (contractual or otherwise) or material agreements of any kind for the purchase or acquisition of any of the Shares.

(f) The Blocker Corp, except with respect to rights and obligations under this Agreement, (i) does not have, and has never had, any assets or operations other than those incidental to its holding of the Blocker Corp Class A Units (whether directly or indirectly) and compliance with its corporate existence, and (ii) has never incurred any Indebtedness or incurred or become subject to any liabilities other than liabilities for income or franchise Taxes, all of which have been paid in accordance with information returns provided to the Blocker Corp. by the Company.

(g) The Blocker Corp., in accordance with information returns provided to the Blocker Corp. by the Company, (i) has timely filed (taking into account any applicable extensions) all Tax Returns required to be filed by it, which Tax Returns are accurate and complete in all material respects, (ii) has provided copies of all income and franchise Tax Returns and other material Tax Returns and extensions filed in the last three (3) years, and (iii) has paid all Taxes that are shown thereon as due and payable by it.

(h) There are no ongoing audits, examinations or other administrative or judicial proceedings relating to Taxes or Tax Returns of the Blocker Corp. The Blocker Corp has not received written notice of (i) any pending or scheduled audit, examinations or other administrative or judicial proceeding relating to Taxes or Tax Returns of the Blocker Corp. or (ii) any Tax deficiency, assessment or other similar claim against the Blocker Corp. that remains unpaid or otherwise unsettled.

(i) There are no Liens for Taxes upon the assets or properties of the Blocker Corp. other than Liens for (i) Taxes not yet due and payable and (ii) Taxes that are being contested in good faith by appropriate proceedings (in the case of (ii), such contest has been disclosed in writing to the Purchasers. There are no outstanding agreements or waivers extending the statutory period of limitations applicable to the assessment of any Tax against the Blocker Corp. (other than automatic extensions arising from an extension of the due date for filing a Tax Return). No Tax ruling regarding the Blocker Corp. or the assets or liabilities of the foregoing has been received or requested. The Blocker Corp. is not a party to any "tax sharing", tax indemnity or similar agreement other than the Company Operating Agreement. Blocker Corp. (or any predecessor thereto) has never joined any other taxpayer in filing a consolidated, affiliated, combined or unitary group Tax Return.

(j) The Blocker Corp. does not have any accumulated earnings or profits within the meaning of Section 312 of the Code and as of the date hereof is not reasonably expected to have any current earnings and profits attributable to the period from January 1, 2014 through and including the Closing Date.

The representations and warranties set forth in this Section 3.5 (i) are the sole and exclusive representations and warranties with respect to Taxes of the Blocker Corp., (ii) are made only with respect to Tax periods (or portions thereof) ending on or prior to the Closing Date and (iii) shall not be construed to as a representation or warranty, and shall not be relied upon for any claim of indemnification with respect to, any Taxes attributable to any Tax period (or portion thereof) beginning after the Closing Date, or any Tax positions taken by the Purchasers and their Affiliates (including the Blocker Corp.) in any Tax period (or portion thereof) beginning after the Closing Date.

3.6 ***Transaction With Affiliates.*** Except as set forth on Schedule 3.6, none of such Seller or any of its managers or officers or, to the actual knowledge of such Seller, their respective Affiliates is involved in any material business arrangement or relationship with the Company or any Subsidiary, and none of such Seller or any of its managers or officers or their respective Affiliates owns any material property or right, tangible or intangible, which is used by the Company or any Subsidiary.

3.7 ***Capitalization Table.*** To the actual knowledge of such Seller, the capitalization table set forth on Exhibit B is true and correct in all material respects.

3.8 ***Anti-Terrorism Law.*** Each Seller represents and warrants as to itself as follows:

(a) Neither it nor to its actual knowledge, any Affiliate is in violation of (i) any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, (ii) Executive Order No. 13,224, 66 Fed. Reg. 49,079 (2001), issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) (the "Executive Order") or (iii) the anti-money laundering provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act) Act of 2001, Public Law 107 56 (October 26, 2001) (the "Patriot Act"), amending the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq., and any other laws relating to terrorism or money laundering (collectively, "Anti-Terrorism Laws").

(b) To its actual knowledge, none of its Affiliates and the brokers or other agents acting or benefiting in any capacity in connection with the transaction that is the subject of this Agreement is any of the following: (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a Person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or (iv) a Person that is named as a "specially designated national and blocked person" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list.

(c) To its actual knowledge, no broker or other agent of it that is acting in any capacity in connection with the transaction that is the subject of this Agreement (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Section 3.8(b) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY AND THE SUBSIDIARIES

The Sellers hereby represent and warrant to the Purchasers as follows:

4.1 ***Organization, Standing and Power.*** The Company and each Subsidiary is a limited liability company, duly organized and validly existing, and has all requisite power and authority to conduct its business as it is now being conducted and to own, lease and operate its assets. The Company and each Subsidiary is in good standing under the Laws of the jurisdiction of its formation. The Company and each Subsidiary is duly qualified or licensed to do business in each jurisdiction in which the ownership or operation of its assets make such qualification or licensing necessary, except in those jurisdictions where the failure to be so duly qualified or licensed would not reasonably be expected to result in a Material Adverse Effect.

4.2 ***Legal Proceedings.*** Except as set forth on Schedule 4.2, there are no actions at law, suits in equity, proceedings or Claims pending or threatened in writing against the Company or any Subsidiary.

4.3 ***Compliance with Laws.*** The Company and each Subsidiary is in compliance, in all material respects, with all Laws applicable to them.

4.4 ***Governmental Approvals; Filings.*** No consent, approval or action of, filing with or notice to any Governmental Authority on the part of the Company or any Subsidiary is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except to the extent that the failure to obtain such consent or approval or provide such action or filing would not reasonably be expected to result in a Material Adverse Effect.

4.5 ***Capitalization; Subsidiaries; CIT Loan***.

(a) The Purchased Units and the membership units of the Company held by the Blocker Corp. represent all of the issued and outstanding units of the Company and there are no other equity interests in the Company that are outstanding. All of the Purchased Units are

validly issued, fully paid and nonassessable, to the extent such terms are applicable. Except as set forth in the Company Operating Agreement, there are no outstanding subscriptions, options, warrants, conversion rights, convertible securities, preemptive rights, preferential rights or other material rights (contractual or otherwise) or material agreements of any kind for the purchase or acquisition of any of the limited liability company interests of the Company. Each Seller hereby waives any such subscriptions, options, warrants, conversion rights, convertible securities, preemptive rights, preferential rights or other material rights (contractual or otherwise) or material agreements of any kind for the purchase or acquisition of any of the limited liability company interests of the Company that it may have pursuant to the Operating Agreement.

(b) Schedule 4.5(b) sets forth all of the issued and outstanding limited liability company interests of the Subsidiaries and the holders of such interests as of the date hereof. The Company owns directly or indirectly one hundred percent (100%) of the limited liability company interests of each Subsidiary. All issued and outstanding limited liability company interests of the Subsidiaries are validly issued, fully paid, nonassessable, to the extent such terms are applicable, and free of any Liens. Except as set forth in the Company Operating Agreement, there are no outstanding subscriptions, options, warrants, conversion rights, convertible securities, preemptive rights, preferential rights or other material rights (contractual or otherwise) or material agreements of any kind for the purchase or acquisition of any of the limited liability company interests of any of the Subsidiaries. Each Seller hereby waives any such subscriptions, options, warrants, conversion rights, convertible securities, preemptive rights, preferential rights or other material rights (contractual or otherwise) or material agreements of any kind for the purchase or acquisition of any of the limited liability company interests of any of the Subsidiaries that it may have pursuant to the Operating Agreement.

(c) The Subsidiaries do not, directly or indirectly, own nor have they made any investment in, any capital stock of, or equity or proprietary interest in, any Person other than certain of the Subsidiaries as set forth in Schedule 4.5(b).

(d) Upon the payment of the CIT Loan by following the instructions delivered by Sellers pursuant to Section 2.4(j) above, the CIT Loan will be paid in full and the Company will have no further liability under the CIT Loan Documents.

4.6 ***Absence of Regulation.*** Neither the Company nor any Subsidiary is an "investment company," a company "controlled" by an "investment company" or an "investment advisor" within the meaning of the Investment Company Act of 1940. Neither the Company nor any Subsidiary is subject to regulation as a "public utility" as such term is defined in the Federal Power Act.

4.7 ***Financial Statements.*** The Company has previously provided to the Purchasers copies of the following financial statements (such financial statements, the "***Financial Statements***"):

(a) the audited consolidated balance sheets of the Company and the Subsidiaries as of December 31, 2013, and the related audited statements of cash flows, members' equity/deficit and operations of the Company for the fiscal year ended December 31, 2013; and

(b) the unaudited consolidated balance sheet of the Company and the Subsidiaries as of March 31, 2014 (the "***Latest Balance Sheet***"), and the related unaudited consolidated statements of cash flows and operations of the Company and the Subsidiaries for the year-to-date.

(c) Except as set forth on Schedule 4.7(c), the Financial Statements (i) have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods covered thereby, except as may be indicated in the notes thereto and except, in the case of unaudited interim Financial Statements, for the absence of footnotes and subject to year-end adjustments, and (ii) fairly present, in all material respects, the financial position, results of operations and cash flows of the Company and the Subsidiaries as of the dates and for the periods indicated (subject, in the case of the unaudited interim Financial Statements, to the absence of footnotes and to year-end adjustments).

4.8 ***Undisclosed Liabilities***. Except as set forth on Schedule 4.8, as of the date of this Agreement, there is no liability or obligation of the Company or any of the Subsidiaries of a type required to be reflected or reserved for on a balance sheet prepared in accordance with GAAP, except for liabilities and obligations (a) reflected or reserved for on the Financial Statements or disclosed in the notes thereto, (b) included in the calculation of Net Working Capital or Indebtedness, (c) incurred as a result of any obligation arising under this Agreement, (d) disclosed in the Schedules or (e) as would not reasonably be expected to exceed $100,000 in the aggregate and do not otherwise result from any breaches of any representations or warranties set forth in Article III or Article IV.

4.9 ***Absence of Certain Changes***. Since December 31, 2013 to the date of this Agreement, the Company and the Subsidiaries have not suffered any change in their business, operation or financial position, except such changes which would not reasonably be expected to have a Material Adverse Effect and the Company and the Subsidiaries have conducted their respective businesses in all material respects in the ordinary course consistent with past practices.

4.10 ***Taxes***.

Except as set forth in Schedule 4.10:

(a) The Company and each Subsidiary has been treated as a partnership or disregarded entity at all times since formation, and no election has ever been filed to treat the Company or any Subsidiary as an association taxable as a corporation for U.S. federal income Tax purposes.

(b) The Company and the Subsidiaries (i) have timely filed (taking into account any applicable extensions) all Tax Returns required to be filed by them, which Tax Returns are accurate and complete in all material respects, (ii) have provided copies of all income and franchise Tax Returns and other material Tax Returns and extensions filed in the last three (3) years, and (iii) have paid all Taxes that are shown thereon as due and payable by them;

(c) There are no ongoing audits, examinations or other administrative or judicial proceedings relating to Taxes or Tax Returns of the Company or any Subsidiary. None of the Company or any Subsidiary has received written notice of (i) any pending or scheduled

audit, examinations or other administrative or judicial proceeding relating to Taxes or Tax Returns of the Company or any Subsidiary or (ii) any Tax deficiency, assessment or other similar claim against the Company or any Subsidiary that remains unpaid or otherwise unsettled;

(d) There are no Liens for Taxes upon the assets or properties of the Company or the Subsidiaries other than Permitted Liens;

(e) There are no outstanding agreements or waivers extending the statutory period of limitations applicable to the assessment of any Tax against the Company or the Subsidiaries (other than automatic extensions arising from an extension of the due date for filing a Tax Return);

(f) No Tax ruling regarding the Company or any Subsidiary or the assets or liabilities of the foregoing has been received or requested;

(g) Neither the Company nor any Subsidiary is a party to any "tax sharing", tax indemnity or similar agreement; and

(h) The Company has no "effectively connected taxable income" of foreign partners, as described in Section 1446 of the Code, for the periods of (i) calendar year 2013, or (ii) January 1, 2014 through and including the Closing Date (***"Foreign Partner Withholding Tax"***).

The representations and warranties set forth in this Section 4.10 (i) are the sole and exclusive representations and warranties with respect to Taxes of the Company and the Subsidiaries, (ii) are made only with respect to Tax periods (or portions thereof) ending on or prior to the Closing Date and (iii) shall not be construed to as a representation or warranty, and shall not be relied upon for any claim of indemnification with respect to, any Taxes attributable to any Tax period (or portions thereof) beginning after the Closing Date, or any Tax positions taken by the Purchasers and their Affiliates (including the Company and the Subsidiaries) in any Tax period (or portion thereof) beginning after the Closing Date.

4.11 ***Material Contracts.***

(a) Schedule 4.11(a) contains a listing of all Contracts described in clauses (i) through (x) below to which, as of the date of this Agreement, the Company or any of the Subsidiaries are a party (collectively, the "***Material Contracts***"):

(i) Each Royalty Acquisition Agreement in respect of a Material Tenant Project;

(ii) Each Project Lease Agreement in respect of a Material Tenant Project;

(iii) With respect to the Red Mesa Project, the ground lease from Lobo Partners, LLC to AG Land Property Management I, LLC;

(iv) Each Other Related Material Documents in respect of a Material Tenant Project;

(v) Each note, debenture, other evidence of indebtedness, guarantee, loan, credit or financing agreement or instrument or other contract for money borrowed by the Company or any of the Subsidiaries, in each case, having an outstanding principal amount in excess of $100,000;

(vi) Each Contract (other than Contracts of the type (without giving effect to dollar thresholds) described in other clauses of this Section 4.11(a)) that the Company reasonably anticipates will involve aggregate payments or consideration furnished by or to the Company or any of the Subsidiaries of more than $100,000 in any calendar year and which are not cancelable (without material penalty, cost or other liability) within ninety (90) days;

(vii) Each Contract for the acquisition of any Person or any business unit thereof or the disposition of any assets of the Company or any of the Subsidiaries (other than in the ordinary course of business), in each case, involving aggregate payments in excess of $100,000 in any calendar year, other than Contracts in which the applicable acquisition or disposition has been consummated and there are no material obligations ongoing;

(viii) Each joint venture agreement, partnership agreement or limited liability company agreement with a third party;

(ix) Each Contract requiring capital expenditures after the date of this Agreement in an amount in excess of $100,000 in any calendar year; and

(x) Each Contract expressly prohibiting or restricting in any material respect the ability of the Company or any of the Subsidiaries to engage in any business, to operate in any geographical area or to compete with any Person; and

(xi) Except as set forth in Schedule 4.11(a), there are no other Material Contracts.

(b) Each Material Contract is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms, of the Company and/or the Subsidiaries (as applicable) and, to the Knowledge of the Company, of each other party thereto, except as the same may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles. Except as set forth in Schedule 4.11(b), all payments and performance required of the Company and/or the Subsidiaries under the Material Contracts through the Closing Date have been or will, on or before the Closing Date, be made, and neither the Company nor any Subsidiary, nor, to the Knowledge of the Company, any other party to the Material Contracts, is in violation or breach of or default under the Material Contracts (or with notice or lapse of time or both, would be in violation or breach of or default under any such Material Contract).

(c) Each Material Royalty Project Lease Agreement is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms, of

the parties thereto, except as the same may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles. To the Knowledge of the Company, no party to the Material Royalty Project Lease Agreements is in violation or breach of or default under the applicable Material Royalty Project Lease Agreements.

4.12 ***Environmental Matters.***

(a) The Company and each Subsidiary is in compliance with all Environmental Laws applicable to them.

(b) The Company and the Subsidiaries have not entered into or agreed to any consent decree or order, and are not subject to any outstanding judgment, decree, or judicial order or a party to any action, suit, proceeding or hearing, nor, to the Knowledge of the Company, is any such action, suit, proceeding or hearing threatened relating to compliance with any Environmental Law.

(c) No Hazardous Materials have been released by the applicable Subsidiary, or, to the Knowledge of the Company, any of its lessees or grantees or any of its or their respective contractors or agents, into or onto the soil or groundwater of such Subsidiary's owned or leased Company Real Property in violation of Environmental Laws, and, to the Knowledge of the Company, for the period prior to a Subsidiary's acquisition of its ownership or leasehold interest, as applicable in such Company Real Property, no Hazardous Materials were released into or onto the soil or groundwater of such Company Real Property in violation of Environmental Laws. No Company Real Property presently has, and to the Knowledge of the Company, no Company Real Property has ever had, an underground storage tank installed thereon.

(d) The Company has provided Purchasers true and complete copies of any material and current environmental studies, reports, assessments, data and material correspondence with Governmental Authorities and other Persons, in the possession of Sellers, the Company or the Subsidiaries, and describing the environmental condition of all fee and leasehold real property owned by any Subsidiary.

(e) Except with respect to the representations set forth in Section 4.17 and Section 4.26, the representations and warranties set forth in this Section 4.12 are the sole and exclusive representations and warranties of the Company concerning environmental matters, including matters arising under Environmental Laws.

4.13 ***Intellectual Property***. Schedule 4.13 sets forth all material trademarks, patents or Contracts (the "***Intellectual Property***") with respect to the usage of technology or intellectual property used in connection with the conduct of the Company's and each Subsidiary's business as it is presently being conducted. The Company and each Subsidiary owns or possesses licenses or other valid rights to use all of its respective Intellectual Property, is not in breach of any material licensing agreement and has not licensed or otherwise granted access to the Intellectual Property to anyone besides the Company and its Subsidiaries. The representations and warranties set forth in this Section 4.13 are the sole and exclusive representations and warranties of the Company concerning intellectual property matters.

4.14 ***Insurance.*** Schedule 4.14 sets forth all policies of fire, liability and other forms of insurance insuring the Company and the Subsidiaries or their assets and properties. Such policies are in full force and effect, all premiums with respect thereto covering all periods up to and including the date as of which this representation is being made have been paid (other than retroactive premiums which may be payable with respect to comprehensive general liability insurance policies), and no notice of cancellation or termination has been received by the owner or holder of any such policy with respect to any such policy which was not replaced on substantially similar terms prior to the date of such cancellation. Except as set forth on Schedule 4.14, since the formation of the Company, no claims have been made or are pending under any such policies and to the Company's Knowledge the policies can be renewed on similar terms.

4.15 ***Real Property.***

(a) Schedule 4.15 lists all Fee Property held by the Company and the Subsidiaries (the "***Company Real Property***"). Since December 31, 2012, neither the Company nor the Subsidiaries have (a) transferred any of their respective Company Real Property or (b) otherwise subjected any of their respective Company Real Property to any Lien, except for Permitted Liens or as set forth on Schedule 4.15.

(b) With respect to the each parcel of Company Real Property: (A) to the Knowledge of the Company, there are no pending or threatened condemnation proceedings relating to such Company Real Property; (B) except as set forth on Schedule 1.1(c), the applicable Subsidiary that owns such Company Real Property has not granted (i) any options or rights of first refusal to purchase or lease the Company Real Property, or any portion thereof or interest therein, or (ii) any leases, subleases, licenses, occupancy agreements, use agreements, concessions or agreements or arrangements which would materially and adversely affect the operation of the applicable Tenant Project thereon, other than Permitted Liens.

(c) Each Subsidiary owning any Company Real Property has marketable title (or with respect to Company Real Property in Texas, indefeasible title) to its Company Real Property, free and clear of all Liens, except for Permitted Liens.

(d) The Company and the Subsidiaries have marketable title to the Major Company Real Property.

4.16 ***Personal Property.*** The Company and the Subsidiaries have good title to all of their tangible personal property, free and clear of all Liens, except for Permitted Liens.

4.17 ***Permits.*** All permits, licenses, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted by a Governmental Authority (the "***Permits***") required to be held by the Company or any Subsidiary in order for the Company or any Subsidiary to conduct its business in the ordinary course or to perform its obligations under any Royalty Acquisition Transaction or Company Real Property Lease Transaction (in respect of any Material Tenant Project or Other Tenant Project) are valid and in full force and effect.

Furthermore, all required applications for Permits have been filed by the Company and its Subsidiaries and all tenants of any real property owned by the Company or its Subsidiaries. No proceeding is pending or to the Knowledge of the Company, is threatened in writing to revoke, amend or limit any Permit in any material way, except as set forth on Schedule 4.17. Except as set forth on Schedule 4.17, neither the Company nor any Subsidiary has received written notice from any Governmental Authority indicating that any Permit application filed by the Company or any Subsidiary will fail to be granted in a timely manner or, if granted, will contain conditions which would reasonably be expected to result in a Material Adverse Effect. The sale of the Purchased Units and the Shares under this Agreement and the consummation of the transactions contemplated hereby will not result in the termination, revocation, suspension or modification of any of the Permits or, except as set forth on Schedule 4.17, trigger a requirement that any notice be given to any Governmental Authority in order to maintain the validity of the Permit.

4.18 ***Employee Benefit Plans.***

(a) Schedule 4.18(a) sets forth a complete list of the Company Benefit Plans.

(b) Except as set forth on Schedule 4.18(b):

(i) Each Company Benefit Plan has been administered in all material respects in accordance with its terms and all applicable Laws, including ERISA and the Code.

(ii) Each Company Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (A) has received a favorable determination or opinion letter as to its qualification, (B) has been established under a standardized master and prototype or volume submitter plan for which a current favorable advisory letter or opinion letter has been obtained by the plan sponsor and is valid as to the adopting employer, or (C) has time remaining under applicable Laws to apply for a determination or opinion letter or to make any amendments necessary to obtain a favorable determination or opinion letter.

(iii) No Company Benefit Plan is a Multiemployer Plan or other Pension Plan that is subject to Title IV of ERISA.

(iv) There is no pending or, to the Knowledge of the Company, threatened claim (other than a routine claim for benefits), proceeding, examination, audit, investigation or other proceeding with respect to the Company Benefit Plans.

4.19 ***Labor Relations.*** Except as set forth on Schedule 4.19, neither the Company nor any of the Subsidiaries is a party to any collective bargaining agreement with respect to any of its employees. Except as would not reasonably be expected to have a Material Adverse Effect, as of the date hereof, there are no labor strikes, work stoppages, slowdowns or lockouts ongoing or, to the Knowledge of the Company, threatened in writing against or involving the Company or the Subsidiaries.

4.20 ***Transaction With Affiliates.*** Except as set forth on Schedule 4.20, to the Company's Knowledge, none of the managers or officers of the Company or their respective Affiliates is involved in any material business arrangement or relationship with the Company or any Subsidiary, and none of such managers or officers or their respective Affiliates owns any
material property or right, tangible or intangible, which is used by the Company or any Subsidiary.

4.21 ***Assets.*** Except for the Permitted Liens, there are no outstanding subscriptions, options, preemptive rights, preferential rights or other material rights (contractual or otherwise) or material agreements of any kind for the purchase or acquisition of any of the assets of the Company or any of the Subsidiaries with an aggregate value of more than $50,000.

4.22 ***Brokers.*** Except for Marathon, which has been retained by the Company for the benefit of the Sellers, neither the Company nor any Subsidiary has employed any broker, finder, investment banker or financial advisor as to whom the Company or the Subsidiary may have any obligation to pay any brokerage or finders' fees, commissions or similar compensation in connection with the transactions contemplated hereby.

4.23 ***No Asset Transfers.*** Except as set forth on Schedule 4.23, no assets with an aggregate value of more than $50,000 of the Company or any Subsidiaries have been sold or transferred by the Company or its Subsidiaries since December 31, 2012, except for the payment of ordinary business expenses reflected in the Financial Statements.

4.24 ***Project Model.*** The Project Model, to the Knowledge of the Company, is based upon reasonable assumptions in light of the conditions existing at the time of delivery.

4.25 ***Historic Payment Spreadsheet.*** The Historic Payment Spreadsheet is correct and accurate (a) in all respects with regard to all prior cash receipts received by the Company and each of its Subsidiaries, in each case pursuant to the Project Contracts solely with respect to the Material Tenant Projects and Other Tenant Projects and (b) in all material respects with respect to all prior cash receipts received by the Company and each of its Subsidiaries, in each case pursuant to the Project Contracts solely with respect to all other Tenant Projects.

4.26 ***Disclosure.*** Neither the factual information furnished in writing to the Purchasers by the Sellers in connection with the due diligence review by the Purchasers, when taken as a whole, nor any representation or a warranty made herein or in any document delivered hereunder contains as of the date of delivery of such document any untrue statement of material fact or omits a material fact which is known to the Sellers to be necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. There is no fact known to the Sellers that Sellers or their Affiliates have not disclosed to the Purchasers in writing on or before the Closing Date which could have a Material Adverse Effect on the Company, the Subsidiaries, any of their respective assets or the transactions contemplated by this Agreement.

4.27 ***Operating Wind Projects.*** The Company has sold, or otherwise transferred or disposed of, all of its ownership interests (whether direct or indirect) in Minnesota Wind Ventures, LLC, a Delaware limited liability company, and ON Wind Energy, LLC, a California limited liability company, and, except as set forth in Schedule 4.27, and will have no ongoing liability with respect thereto.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

The Purchasers hereby represent and warrant to the Sellers as follows:

5.1 ***Corporate Existence.*** HA Capital is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and HASI is a corporation duly organized, validly existing and in good standing under the Laws of the State of Maryland and each Purchaser has all the requisite power and authority to conduct its business as it is now being conducted and to own, lease and operate its assets.

5.2 ***Authority.*** The Purchasers have all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by the Purchasers of this Agreement and the performance by the Purchasers of their obligations hereunder have been duly and validly authorized by all necessary limited liability company, corporate or equivalent action on behalf of each Purchaser. This Agreement has been duly and validly executed and delivered by the Purchasers and constitutes the legal, valid and binding obligation of the Purchasers enforceable against each Purchaser in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

5.3 ***No Conflicts.*** The execution and delivery by the Purchasers of this Agreement, the performance by each Purchaser of its obligations hereunder and the consummation of the transactions contemplated hereby will not:

(a) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the organizational documents of either Purchaser;

(b) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which either Purchaser or any of its Affiliates is a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or which would not reasonably be expected to have a material adverse effect on the ability of either Purchaser to perform its obligations under this Agreement; or

(c) conflict with or result in a violation or breach of any term or provision of any Law or writ, judgment, order or decree applicable to either Purchaser or any of its Affiliates, which violation would reasonably be expected to have a material adverse effect on the ability of either Purchaser to perform its obligations under this Agreement.

5.4 ***Legal Proceedings.*** To the Knowledge of each Purchaser, there are no actions at law, suits in equity, proceedings, or Claims pending or threatened in writing against either Purchaser which could reasonably be expected (a) to result in the issuance of a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement or (b) which would reasonably be expected to have a material adverse effect on the ability of either Purchaser to perform its obligations under this Agreement.

5.5 ***Governmental Approvals and Filings.*** No consent, approval or action of, filing with or notice to any Governmental Authority on the part of either Purchaser is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

5.6 ***Compliance with Laws.*** Neither Purchaser is in violation of or in default under any Law applicable to such Purchaser the effect of which would reasonably be expected to have a material adverse effect on the ability of such Purchaser to perform its obligations under this Agreement.

5.7 ***Brokers.*** Neither the Purchasers nor any of their Affiliates has employed any broker, finder, investment banker or financial advisor as to whom either Purchaser may have any obligation to pay any brokerage or finders' fees, commissions or similar compensation in connection with the transactions contemplated hereby.

5.8 ***Opportunity for Independent Investigation.*** The Purchasers have conducted to their satisfaction an independent review, investigation, verification and analysis of the business, assets, condition, operations and affairs and prospects of the Company and the Subsidiaries, and the Purchasers have been furnished with or given full access to such information about the Company and the Subsidiaries and their respective businesses and operations as the Purchasers have requested. In making its decision to execute this Agreement, and to purchase the Purchased Units and the Shares, the Purchasers have relied and will rely solely upon the results of such independent review, investigation, verification and analysis and the representations and warranties of the Sellers and the Company set forth in Article III and Article IV.

5.9 ***Acquisition as Investment.*** Each Purchaser represents and warrants that (a) the Purchased Units and the Shares shall be acquired for such Purchaser's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act of 1933, as amended (together with the rules and regulations promulgated thereunder) (the "***Securities Act***"), or any applicable state securities laws, and the Purchased Units and the Shares shall not be disposed of in contravention of the Securities Act or any applicable state securities laws, (b) such Purchaser's knowledge and experience in financial and business matters are such that it is capable of evaluating the merits and risks of the investment in the Company, and (c) such Purchaser is an "accredited investor" as such term is defined in Regulation D under the Securities Act.

5.10 ***Financial Resources.*** Each Purchaser has sufficient funds available to (a) consummate the transactions contemplated hereby, including, to purchase the Purchased Units and the Shares and to pay the Purchase Price, and (b) pay such Purchaser's expenses incident to this Agreement and the transactions contemplated herein. Each Purchaser acknowledges and agrees that such Purchaser's performance of its obligations under this Agreement is not in any way contingent upon the availability of financing to such Purchaser.

ARTICLE VI.
COVENANTS

The Parties hereby covenant and agree as follows:

6.1 ***Tax Matters.***

(a) Transfer Taxes. The Purchasers and the Sellers shall each pay fifty percent (50%) of all Transfer Taxes, if any, arising out of or in connection with the purchase and sale of the Purchased Units and the Shares pursuant to this Agreement. As amongst the Sellers, each Seller shall bear a proportionate share of fifty percent (50%) of any such Transfer Taxes in accordance with such Seller's Percentage Share as set forth on Exhibit A; provided, that any incremental Transfer taxes payable in connection with the sale of the Shares shall be borne solely by the Blocker Seller. The Transfer Taxes shall be calculated, the Sellers' share of such Transfer Taxes shall be deducted from the Purchase Price and this amount, together with the Purchasers' share of such Transfer Taxes, shall be paid by the Purchasers' to the applicable title company (used for Closing Date payments) for payment to the state taxing authorities on the Closing Date. The Purchasers and the Sellers each shall file all necessary documentation and Tax Returns with respect to such Transfer Taxes. The Purchasers and the Sellers shall each use their commercially reasonable efforts to cooperate with the other in mitigating the amount of any such Transfer Taxes and in the preparation, execution and filing of all Tax Returns and other documents required in connection with such Transfer Taxes.

(b) Tax Returns.

(i) To the maximum extent permitted by Law, the Parties shall treat the current Tax period of the Company and the Subsidiaries as ending as of the end of the day on the Closing Date for purposes of any Taxes imposed on a "pass-through" basis, including any federal, state and local income Taxes ("***Pass-through Taxes***"). In any jurisdiction in which a closing of the current Tax period is not required or permitted, all items of income, gain, loss, deduction and credit of the Company and the Subsidiaries shall be allocated between the portion of the Tax period ending on the Closing Date which is for the account of the Sellers and the Blocker Corp., and the portion of the Tax period beginning after the Closing Date which is for the account of the Purchasers and the Blocker Corp. (but excluding, for the avoidance of doubt, the Blocker Seller), based on an interim closing of the books as of the end of day on the Closing Date. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that all Tax deductions and other Tax benefits resulting from the transactions contemplated hereby, including Tax deductions and other Tax benefits arising in connection with (i) any bonuses paid or payable by the Company or any Subsidiary as a result of or in connection with the consummation of the transactions contemplated hereby, (ii) any fees and expenses paid or payable by the Company or any Subsidiary in connection with or related to the transactions contemplated hereby and (iii) any fees, expenses, premiums and penalties paid or payable with respect to the prepayment of debt and the write-off or acceleration of the amortization of deferred financing costs, in each case that are properly allocable to the portion of the Closing Date preceding the Closing, and all deductions related thereto shall be reported and claimed by the Company and the Subsidiaries in the Tax period (or the portion thereof) ending on the Closing Date.

(ii) The Principal Sellers shall prepare (or cause to be prepared) and timely file all Tax Returns of the Company and the Subsidiaries for all Pass-through Taxes for all Tax periods ending on or before the Closing Date that are due after the Closing Date (the "***Seller-Prepared Tax Returns***"). All Seller-Prepared Tax Returns shall be prepared in a manner consistent with past practices of the Company and the Subsidiaries, except where otherwise required by applicable Law. The Principal Sellers shall deliver to the Purchasers for their review and comment a draft of all Seller-Prepared Tax Returns, at least forty-five (45) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). Following the receipt of each such Tax Return, the Purchasers shall have a period of ten (10) days to provide the Principal Sellers with any reasonable, good-faith comments to such Tax Return, which the Principal Sellers shall consider in good faith; provided, however, if such good faith consideration is unable to resolve any issue, then such issue will be resolved in accordance with Section 6.1(b)(v).

(iii) The Purchasers shall prepare (or cause to be prepared) and timely file all other Tax Returns of the Company and the Subsidiaries required to be filed after the Closing Date with respect to any Tax period that ends on or before or includes the Closing Date (the "***Purchasers-Prepared Tax Returns***"). All Purchasers-Prepared Tax Returns shall be prepared in a manner consistent with past practices of the Company and the Subsidiaries, except where otherwise required by applicable Law. The Purchasers shall deliver to the Principal Sellers for their review and comment a draft of all Purchasers-Prepared Tax Returns relating to Pass-through Taxes for any Tax period that includes, but does not end on the Closing Date (a "***Straddle Period***"), at least forty-five (45) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). Following the receipt of each such Tax Return, the Principal Sellers shall have a period of ten (10) days to provide the Purchasers with any reasonable, good-faith comments to such Tax Return, which the Purchasers shall consider in good faith. The Purchasers shall not file any Purchasers-Prepared Tax Returns with respect to any Pass-through Taxes for any Straddle Period without the unanimous prior written consent of the Principal Sellers, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, if any issue precludes the provision of such unanimous prior written consent, then such issue shall be resolved in accordance with Section 6.1(b)(v) and such resolution shall be deemed to have received the required unanimous prior written consent.

(iv) With the respect to the Blocker Corp.:

(1) to the maximum extent permitted by Law, the Blocker Seller and HASI shall treat the current Tax period of the Blocker Corp. as ending as of the end of day on the Closing Date for all tax purposes and Blocker Seller shall be responsible for the timely payment of all Taxes of the Blocker Corp. for the Tax period ending on the Closing Date. In any jurisdiction in which a closing of the current Tax year is not required or permitted, for purposes of determining the amount of Taxes that relate to each portion of the Straddle Period, the Blocker Seller and HASI agree that (i) all real property Taxes, personal property Taxes and

similar obligations that relate to the Straddle Period shall be apportioned between Blocker Seller and HASI on a per-diem basis, and (ii) all other Taxes (including, income Taxes, sales and use Taxes and withholding Taxes) shall be apportioned between Blocker Seller and HASI as determined from the books and records of the Blocker Corp as though the taxable year of Blocker Corp had terminated as of the end of the day on the Closing Date.

(2) Blocker Seller shall prepare (or cause to be prepared) all Tax Returns of the Blocker Corp. for any Tax period that ends on or before the Closing Date ("***Blocker Seller-Prepared Tax Returns***"). All Blocker Seller-Prepared Tax Returns shall be prepared in a manner consistent with past practices of the Blocker Corp., except where otherwise required by applicable Law. Blocker Seller shall deliver to HASI for its review and comment a draft of all Blocker Seller-Prepared Tax Returns at least forty-five (45) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). Following the receipt of each such Tax Return, HASI shall have a period of ten (10) days to provide the Blocker Seller with any reasonable, good faith comments to such Tax Return, which the Blocker Seller shall consider in good faith; provided, however, that if such good faith consideration is unable to resolve any issue, then such issue will be resolved in accordance with Section 6.1(b)(v).

(3) HASI shall prepare (or cause to be prepared) all and timely file all other Tax Returns of the Blocker Corp required to be filed after the Closing Date with respect to any Straddle Period (the "***Purchasers-Prepared Blocker Tax Returns***"). All Purchasers-Prepared Blocker Returns shall be prepared in a manner consistent with past practices of the Blocker Corp, except where otherwise required by applicable Law. HASI shall deliver to the Blocker Seller for its review and comment a draft of all Purchasers-Prepared Blocker Tax Returns at least forty-five (45) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). Following the receipt of each such Tax Return, the Blocker Seller shall have a period of ten (10) days to provide the HASI with any reasonable, good-faith comments to such Tax Return, which HASI shall consider in good faith. HASI shall not file any Purchasers-Prepared Blocker Tax Returns without the prior written consent of the Blocker Seller, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, if any issue precludes the provision of such prior written consent, then such issue shall be resolved in accordance with Section 6.1(b)(v) and such resolution shall be deemed to have received the required prior written consent.

(v) The Parties shall use commercially reasonable efforts and act in good faith to resolve any dispute with respect to any Tax Return prepared pursuant to this Section 6.1(b) prior to the date on which the relevant Tax Return is required to be filed (taking into account any applicable extensions). If the parties have not resolved the dispute prior to the 20th day prior to the date on which the relevant Tax Return is required to be filed (taking into account any applicable extensions), then BDO USA, LLP (or such other independent accounting or financial consulting firm of recognized national standing as may be mutually selected by the Purchasers, on the one hand, and the Principal Sellers or the Blocker Seller, as applicable, on the other hand) (the "**Expert Firm**"), acting as expert and not as arbiter, shall resolve any remaining disagreements with respect to such Tax Return. The Expert Firm shall establish the timing and process of reviewing the disputed item and shall be instructed to provide its final determination with respect to any disputed item as soon as practicable and in any event prior to the due date for the filing of such Tax Return (taking into account any applicable extensions). The determination of the Expert Firm shall be final, conclusive and binding on the Parties. The fees and expenses of the Expert Firm shall be borne by equally by the by the Purchasers, on the one hand, and the Principal Sellers or the Blocker Seller, as applicable, on the other hand.

(c) Tax Controversies.

(i) The Purchasers, the Principal Sellers or the Blocker Seller, as applicable, shall promptly notify the other relevant Party or Parties in writing upon receipt of notice of any pending or threatened audit, examination or other proceeding relating to (i) any Tax Return of the Company or any Subsidiary relating to any Pass-through Taxes for any Tax period that ends on or before or includes the Closing Date ("***Pass-through Tax Proceedings***") or (ii) any Tax Return of the Blocker Corp for any Tax period that ends on or before or includes the Closing Date ("***Blocker Tax Proceedings***"). Such notice shall include a copy of the relevant portion of any correspondence received from the relevant Governmental Authority and describe in reasonable detail the nature of such claim.

(ii) The Principal Sellers, acting unanimously, shall have the sole and exclusive right to control the conduct of any Pass-through Tax Proceedings for any Tax period that ends on or before the Closing Date, provided that the Principal Sellers shall not settle or compromise any such matter without the Purchasers' consent to the extent such settlement or compromise would disproportionately adversely affect the Blocker Corp and the Purchasers would not be entitled to indemnification pursuant to this Agreement. The Principal Sellers, acting unanimously, and the Purchasers acting unanimously shall jointly control the conduct of any Pass-through Tax Proceedings for any Straddle Period, and neither Party shall settle or compromise any such matter without the other Party's consent.

(iii) The Blocker Seller shall have the sole and exclusive right to control the conduct of any Blocker Tax Proceedings for any Tax period that ends on or before the Closing Date, provided that the Blocker Seller shall not settle or compromise any such matter without HASI's consent to the extent such settlement or compromise would adversely affect the Blocker Corp and HASI would not be entitled to indemnification from the Blocker Seller. The Blocker Seller and HASI shall jointly control the conduct of any Blocker Tax Proceedings for any Straddle Period, and neither Party shall settle or compromise any such matter without the other Party's consent.

(iv) In the event of any conflict between the provisions of this Section 6.1(c) and Section 7.2 (to the extent applicable), this Section 6.1(c) shall control.

(d) Post-Closing Actions. Except as otherwise required by Law, the Purchasers shall not, and shall cause the Company, the Subsidiaries and the Blocker Corp. not to (i) take any action on the Closing Date other than in the ordinary course of business or other than action permitted hereunder, (ii) amend any Tax Return of the Company, any Subsidiary or the Blocker Corp. for any Tax period that ends on or before or includes the Closing Date or (iii) make any Tax election, grant an extension of any applicable statute of limitations or take any action or enter into any transaction that could increase the Tax liability of any Seller or any of their Affiliates.

(e) Cooperation. The Purchasers and the Sellers shall reasonably cooperate, and shall cause their respective Affiliates to reasonably cooperate, as and to the extent requested by the other party, in connection with the filing of Tax Returns and any claim or proceeding relating to the Taxes or Tax Returns of, or with respect to, the Company, the Subsidiaries and the Blocker Corp. Such cooperation shall include the retention of and (upon the other party's request) the provision of records and information reasonably relevant to any such Tax Return, claim or proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the provision of such powers of attorney as may be necessary to allow for the control of Tax audits or proceedings as described in Section 6.1(c) hereof and for the Principal Sellers to file Tax Returns pursuant to Section 6.1(b) hereof.

6.2 ***Employees.*** Prior to the Closing, the Sellers shall cause the Company and the Subsidiaries to terminate all employees and consultants and pay such employees and consultants all wages and fees that may be due and owing prior to and including the Closing Date, including any bonuses, severance payments, and fees that may become due or be deemed earned on the Closing. From and after the Closing, the Purchasers or the Company or its Subsidiaries, as applicable, shall be responsible for any and all notices, liabilities, costs, payments and expenses arising from any action by the Purchasers, the Company or any of its Subsidiaries regarding new or rehired employees and other service providers of the Company and its Subsidiaries relating to the conduct of business after the Closing Date.

6.3 ***Amendment of Charter Documents; Indemnification of Managers and Officers.***

(a) For a period of six (6) years after the Closing Date, the Purchasers shall not amend the charter documents of the Company or the Subsidiaries, and the Purchasers shall cause the Company and the Subsidiaries not to amend their charter documents, if the effect of doing so would be to reduce or narrow the scope of the Company's or the Subsidiaries'

obligations to indemnify their officers and/or managers who served in such capacities prior to the Closing Date or to reduce or narrow the scope of any exculpatory provision in favor of any such Person. The Purchasers acknowledge that the intent of this provision is to give such Persons the benefits of indemnity and exculpation to the full extent permitted by applicable Laws.

(b) On or prior to the Closing Date, the Purchasers shall cause to be covered by insurance for a period of six (6) years each of the Persons covered by the current policies of the directors' and officers' liability insurance maintained by the Company and its Subsidiaries that are listed in on Schedule 6.3(b), with respect to matters occurring at or prior to the Closing, on terms that provide at least the same coverage and otherwise provide for terms and conditions that are not less advantageous than the current policies (including with respect to the period covered).

6.4 ***Books and Records.*** The Purchasers will preserve and retain all books and records of the Company and the Subsidiaries or the Blocker Corp received from the Sellers, the Principal Sellers or held by the Company or the Subsidiaries or the Blocker Corp immediately after the Closing, and provide the Sellers, the Principal Sellers or their Representatives reasonable access (including the right to photocopy at their own expense) to such books and records for a period of six (6) years following the Closing Date, or, if reasonably requested by the Sellers or the Principal Sellers in writing, until such later date as preservation of and access to those books and records is no longer required by any Governmental Authority. Books and records may be kept in electronic form.

6.5 ***Further Assurances.*** On and after the Closing Date, upon the reasonable request of a Party, the requested Parties shall execute and deliver such further documents, instruments or conveyances and take, or cause to be taken, all appropriate action of any kind (subject to applicable Law) as may be reasonably necessary or advisable to carry out any of the provisions hereof and to otherwise consummate and effectuate the transactions contemplated by this Agreement, all at the sole cost and expense of the requesting Party.

6.6 ***Confidentiality.*** Each Party shall treat all information disclosed (a) pursuant to this Agreement (regardless of whether such information was disclosed to such Party before or after the date hereof), (b) in connection with the transactions contemplated by this Agreement (regardless of whether such information was disclosed to such Party before or after the date hereof), or (c) in the discussions and negotiations preceding this Agreement, in each case as information deemed to be Confidential Information in accordance with the terms and conditions set forth in that certain Mutual Non-Disclosure and Non-Circumvention Agreement dated as of November 21, 2013 by and between HA Capital and Marathon, on behalf of the Company (the "***Confidentiality Agreement***"), which shall be deemed to apply to the Parties and such Confidential Information, *mutatis mutandis,* as if the Parties hereto were parties to such Confidentiality Agreement. This Section 6.6 shall remain in effect until the later to occur of (a) the first anniversary of the Closing Date or (b) the termination of the Confidentiality Agreement.

6.7 ***Knowledgeable Purchasers and Disclaimers.***

(a) Each Purchaser (i) is represented by competent legal, tax and financial counsel in connection with the negotiation, execution, and delivery of this Agreement and the related transactions, (ii) has sufficient knowledge and experience to evaluate the Company and the Subsidiaries, the businesses of the Company and the Subsidiaries, and the technical, commercial, financial, and other risks associated with acquiring the Purchased Units and the Shares, (iii) acknowledges that pursuant to this Agreement it has performed all due diligence that it desires to perform to enable it to evaluate the risks and the merits of consummating the transactions contemplated herein, (iv) is financially capable of owning the Purchased Units or the Shares, as applicable, (v) has been given the reasonable opportunity to ask questions relating to the Purchased Units and the Shares and the business and affairs of the Company and the Subsidiaries, and to receive answers to such questions, (vi) has or has access to the expert, professional and technical capability to obtain all necessary governmental approvals for the Company and the Subsidiaries, and (vii) has experience in the business of the Company and the Subsidiaries. Each Purchaser acknowledges that it is not aware of any representation or warranty of the Sellers or the Company being untrue or inaccurate.

(b) IT IS THE EXPLICIT INTENT AND UNDERSTANDING OF EACH PARTY HERETO THAT NO PARTY HERETO NOR ANY OF SUCH PARTY'S AFFILIATES, REPRESENTATIVES OR AGENTS IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, ORAL OR WRITTEN, EXPRESS OR IMPLIED, OTHER THAN THOSE SET FORTH IN THIS AGREEMENT. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE PARTIES EXPRESSLY DISCLAIM ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESSED OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, ANY RELATING TO THE FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OF THE COMPANY AND THE SUBSIDIARIES). IN RESPECT OF THIS AGREEMENT AND TRANSACTIONS CONTEMPLATED HEREBY, THE PURCHASERS HAVE NOT AND ARE NOT RELYING ON ANY DOCUMENT OR WRITTEN OR ORAL INFORMATION, STATEMENT, REPRESENTATION OR WARRANTY FURNISHED TO OR DISCOVERED BY THEM OR ANY OF THEIR AFFILIATES OTHER THAN THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE III AND ARTICLE IV. NONE OF THE SELLERS, THE COMPANY, THE SUBSIDIARIES, OR ANY OTHER PERSON WILL HAVE OR BE SUBJECT TO ANY LIABILITY TO THE PURCHASERS OR ANY OTHER PERSON RESULTING FROM THE DISTRIBUTION TO THE PURCHASERS, OR THE PURCHASERS' USE OF, ANY INFORMATION NOT CONTAINED IN THIS AGREEMENT (INCLUDING ANY OFFERING MEMORANDUM, BROCHURE OR OTHER PUBLICATION PROVIDED TO THE PURCHASERS, OR ANY OTHER DOCUMENT OR INFORMATION PROVIDED TO THE PURCHASERS IN CONNECTION WITH THE SALE OF THE PURCHASED UNITS AND THE SHARES) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN. NONE OF THE COMPANY, ANY SUBSIDIARY, OR ANY SELLER MAKES ANY REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND WITH RESPECT TO ANY PROJECTIONS, ESTIMATES OR BUDGETS HERETOFORE DELIVERED TO OR MADE AVAILABLE TO THE PURCHASERS OF FUTURE REVENUES, EXPENSES OR EXPENDITURES, FUTURE RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), FUTURE CASH FLOWS OR FUTURE FINANCIAL CONDITION (OR ANY COMPONENT THEREOF) OF THE COMPANY AND THE SUBSIDIARIES OR THE FUTURE BUSINESS AND OPERATIONS OF THE COMPANY AND THE SUBSIDIARIES.

(c) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, THE ASSETS OF THE COMPANY AND THE SUBSIDIARIES ARE BEING TRANSFERRED THROUGH THE SALE OF THE PURCHASED UNITS AND THE SHARES "AS IS, WHERE IS, WITH ALL FAULTS" AND THE SELLERS, THE COMPANY AND THE SUBSIDIARIES EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE, QUALITY OR THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS AND OTHER INCIDENTS OF THE COMPANY OR THE SUBSIDIARIES. ADDITIONALLY, THE SELLERS AND THE COMPANY SPECIFICALLY DISCLAIM ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

6.8 ***Tax Dispute.*** The parties hereby agree to the terms set forth in Schedule 6.8.

6.9 ***Payment to Sellers Escrow Account.*** Sellers acknowledge and agree that all payments required to be made hereunder to the Sellers Escrow Account by Purchasers shall, if properly and timely made in accordance with the terms hereof, satisfy any requirement of payment to the Sellers, and that Purchasers shall not be responsible for the allocation or division of any such payment among Sellers once the payment to the Sellers Escrow Account has been properly and timely made.

ARTICLE VII.
SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS AND INDEMNIFICATION

7.1 ***Survival Representations, Warranties and Covenants.*** The representations and warranties of the Sellers, the Company and the Purchasers contained in Article III, Article IV and Article V, respectively, shall survive the Closing for a period of one (1) year after the Closing Date, except that the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 4.1, 4.5, 4.10, 4.15(d), 4.22, 4.27, 5.1, 5.2, 5.3 and 5.7 shall expire upon the expiration of the applicable statute of limitations. The covenants which by their terms do not contemplate performance after the Closing shall terminate as of the Closing. The covenants which by their terms contemplate performance after the Closing shall survive the Closing in accordance with their respective terms.

7.2 ***Indemnification.***

(a) Indemnification of the Sellers. After the Closing, the Purchasers shall indemnify and hold harmless the Sellers (and their directors, managers, officers, employees, agents, Affiliates, successors, and assigns) from and against any and all Losses based upon, arising out of or incurred with respect to (i) any breach of any of the Purchasers' representations and warranties contained in Article V or any certificate delivered at the Closing, (ii) any breach

or nonperformance of any covenant or obligation to be performed by the Purchasers hereunder (or the Company hereunder after the Closing) or under any agreement executed in connection herewith, or (iii) any matter arising out of the operation of the business of any of the Company or the Subsidiaries after the Closing to the extent not caused by or attributable to any act or omission of Sellers.

(b) Indemnification of the Purchasers. After the Closing, each Seller, severally (as described in Section 7.2(c)(vi)) and not jointly, shall indemnify and hold harmless the Purchasers (and its directors, managers, officers, employees, agents, Affiliates, successors, and assigns) (the "***Purchasers Indemnitees***") from and against any and all Losses based upon, arising out of or incurred with respect to (i) any breach of such Seller's representations and warranties in Article III or any certificate delivered at Closing, (ii) any breach or nonperformance of any covenant or obligation to be performed by such Seller hereunder or under any agreement executed in connection herewith, (iii) any breach of the Seller's representations and warranties regarding the Company and the Subsidiaries in Article IV of this Agreement or (iv) the Operating Wind Project Liabilities. For the avoidance of doubt, (A) the Blocker Seller shall be solely liable for any indemnification obligation arising from a breach of a representation or covenant pertaining to the Blocker Corp or the Shares, including the representations set forth in Section 3.5 and (B) in no event shall the Purchasers, collectively, be entitled to double recovery for the same Loss. Any indemnification obligation arising from a breach of Section 4.10(h) shall be borne solely by the Seller(s) to whom the applicable Foreign Partner Withholding Tax is attributable.

(c) Limitations on Indemnification Obligations. The rights of the Purchasers Indemnitees to indemnification pursuant to the provisions of Section 7.2(b) are subject to the following limitations:

(i) the amount of any Loss subject to indemnification hereunder or of any Claim therefor shall be calculated net of any insurance proceeds (net of direct collection expenses) or other collateral sources (such as contractual indemnities of any Person which are contained outside of this Agreement), received by the Purchasers Indemnitees on account of such Loss. The Purchasers Indemnitees shall seek full recovery under all insurance policies covering any Loss or collateral sources to the same extent as they would if such Loss were not subject to indemnification hereunder and the Purchasers, the Company and the Subsidiaries shall not cancel any insurance policies in effect for periods prior to the Closing. In the event that an insurance recovery or indemnification payment is received by the Purchasers Indemnitees with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery or payment (net of direct collection expenses and Taxes) shall be made promptly to the Sellers, which refund shall be distributed based on the proportion of the Loss borne by each such Seller, or, if a Loss has not yet been determined or paid by the Sellers, the Sellers' indemnification obligations in respect of such Loss shall be reduced by the aggregate amount of the insurance recovery or indemnification payment (net of direct collection expenses);

(ii) no adjustment shall be made as a result of any multiple, increase factor, or any other premium over the value paid by the Purchasers at Closing whether or not such multiple, increase factor or other premium had been used by Purchasers at the time of, or in connection with, calculating or preparing its bid, its proposed purchase price for the Purchased Units and the Shares or its final purchase price for the Purchased Units and the Shares;

(iii) except for Claims arising under Section 3.5 or in respect of Operating Wind Project Liabilities, the Purchasers Indemnitees will not be entitled to recover the first $200,000 in aggregate Losses (as limited by the applicable provisions of this Section 7.2(c) pursuant to Section 7.2(b), which amount shall serve as a one-time deductible against Losses; provided, however, that thereafter solely with respect to Losses that are individually less than $50,000 the Purchasers Indemnitees will not be entitled to recover for such Losses pursuant to Section 7.2(b) until such Losses that are individually less than $50,000 are equal to or exceed $300,000 in the aggregate (and then only to the extent of such excess);

(iv) except for Claims arising under Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 4.1, 4.5, 4.10, 4.15(d), 4.22, 4.27 and in respect of Operating Wind Project Liabilities (in which case the Sellers' aggregate liability hereunder for all such Losses will not be permitted to exceed the Purchase Price), the Purchasers Indemnitees will not be entitled to recover Losses pursuant to Section 7.2(b) to the extent the Sellers aggregate liability hereunder for all such Losses would otherwise exceed twenty percent (20%) of the Purchase Price (as adjusted pursuant to Section 2.6) if the Claim pertains to Section 4.11, 4.12, 4.15, 4.16, 4.17, 4.23, 4.25, or 4.26 and ten percent (10%) of the Purchase Price for all other items not listed in the immediately preceding clause or in the lead-in qualifier to this subsection (the "***Liability Cap***") in the aggregate, and each Seller's liability for Losses hereunder shall not exceed its Percentage Share of the Liability Cap;

(v) except for Claims arising under Section 3.5, the Purchasers Indemnitees shall not be entitled to recover Losses pursuant to Section 7.2(b) if (A) the Purchasers (or any director or officer of Purchasers who is not a Seller or a director, officer or consultant of the Company prior to Closing) had actual knowledge at any time on or prior to the Closing Date of the facts, events or conditions constituting or resulting in such breach of representation, warranty or covenant or (B) the Purchasers could have mitigated or prevented such Loss using commercially reasonable efforts; and

(vi) except for Claims arising under Section 3.5, with respect to a particular Loss, each Seller shall only be required to indemnify the Purchasers Indemnitees up to the amount of such Loss multiplied by such Seller's Percentage Share. The Purchasers, for themselves and for the Purchasers Indemnitees, unconditionally waives any right it or they may have to hold any Seller jointly liable for the obligations of any other Seller. The aggregate liability of any Seller under this Section 7.2 shall not exceed such Seller's Percentage Share of the Purchase Price (as adjusted pursuant to Section 2.6) for the Purchased Units and the Shares sold by such Seller to the Purchasers hereunder.

(d) Additional Indemnity Provisions. The indemnification obligations of the Purchasers and the Sellers hereunder shall be subject to the following terms and conditions:

(i) Except for Claims (A) against the Sellers arising under this Agreement, the Purchasers shall not assert and shall cause the Company, the Subsidiaries, the Blocker Corp and their Affiliates not to assert any Claims against any present or former director,

manager, officer, employee, or agent of the Sellers or against the Sellers, for or with respect to any matter relating to the Sellers prior to Closing, and (B) against the Purchasers arising under this Agreement, the Sellers shall not assert and shall cause their Affiliates not to assert any Claims against any present or former director, manager, officer, employee or agent of the Purchasers, the Company or the Subsidiaries or their Affiliates or against the Purchasers, the Company or the Subsidiaries, or their Affiliates, for or with respect to any matter relating to the Company or the Subsidiaries prior to the Closing.

(ii) The sole recourse and exclusive remedy of the Purchasers and the Sellers against each other arising out of this Agreement or any certificate delivered in connection with this Agreement, or otherwise arising from the Purchasers' acquisition of the Purchased Units and the Shares, shall be to assert a Claim for indemnification under the indemnification provisions of Sections 7.2(a), and 7.2(b).

(iii) Without limiting the generality or effect of Section 7.2(d)(ii), as a material inducement to the other Parties hereto entering into this Agreement, each Party to this Agreement hereby (A) waives, and forever releases and discharges the other Parties and their respective Representatives from, by reason of or relating to the execution and delivery of this Agreement and the transactions contemplated hereby, any Claim which it otherwise might assert (except for fraud), including without limitation under the common law or federal or state securities, trade regulation, environmental or other Laws, except for Claims or causes of action for which contractual indemnification may be sought under, and subject to the express terms and conditions of, Sections 6.3(b) and this Section 7.2, (B) agrees not to, and to cause its and Representatives not to, directly or indirectly, institute, prosecute or aid in the prosecution of any Claim or other proceeding against any other Party or Representative thereof, which is the subject of clause (A) of this Section 7.2(d)(iii), and (C) agrees that, regardless of the foregoing provisions, no Party will have any liability or obligation in respect of any Claim or cause of action that is or may be brought except in respect of Losses, and then only to the extent expressly provided in this Section 7.2.

(iv) For the purposes of determining whether there has been a breach or an inaccuracy in respect of any representation or warranty for the purpose of indemnification under this Section 7.2, all Claims for Losses arising out of the same facts, events or circumstances resulting in such inaccuracy or breach shall be treated as a single Claim.

(v) To the extent that an Indemnifying Party has discharged any Claim for indemnification hereunder, the Indemnifying Party shall be subrogated to all rights of the Indemnified Party against any Person to the extent of the Losses that relate to such Claim. Any Indemnified Party shall, upon written request by the Indemnifying Party following the discharge of such Claim, execute an instrument reasonably necessary to evidence such subrogation rights.

(vi) In the event that any Party to this Agreement proposes to make any Claim for indemnification pursuant to this Section 7.2, or would have the right to make a Claim for indemnification but for the minimum or maximum limitations on indemnification contained in Section 7.2(b), the Party making the Claim (or with such right) (the "***Indemnified Party***") shall promptly deliver on or prior to the date upon which the applicable representations and warranties or covenants expire pursuant to the terms of this Agreement and within a reasonable

time of discovery of the breach of or nonperformance of any covenant or obligation to be performed under this Agreement, a certificate signed by the party making the Claim or an officer of the party making the Claim (the "***Claim Certificate***") to the Sellers or the Purchasers, whichever is applicable (such party from whom indemnification is sought the "***Indemnifying Party***"), which Claim Certificate shall (A) state the occurrence giving rise to the Claim and that the Loss or liability has been properly accrued or is anticipated; (B) specify the section of this Agreement under which such Claim is made; and (C) specify in reasonable detail each individual item of Loss or other Claim, including the section of this Agreement under which such Claim is made, the amount thereof if reasonably ascertainable, the date such Loss or liability was incurred, properly accrued or is anticipated, the basis for any anticipated Loss or liability and the nature of the misrepresentation, breach of warranty or the Claim to which such Loss or liability is related. The Indemnified Party making the Claim shall state only what is required in subsections (A)-(C) above and shall not admit or deny the validity of the facts or circumstances out of which such Claim arose.

(vii) Any payments made as indemnification under Sections 7.2(a) or 7.2(b) shall be treated as an adjustment to the Purchase Price for all income Tax purposes, unless otherwise required by Law.

(viii) the obligations to indemnify and hold harmless pursuant to Section 7.2(a) and Section 7.2(b) shall survive the Closing for the periods set forth in Section 7.1, except for Claims for indemnification pursuant to such sections asserted prior to the end of such periods, which Claims shall survive until the final resolution thereof.

(ix) WITHOUT LIMITING THE FOREGOING, THE PURCHASERS SHALL NOT BE ENTITLED TO INDEMNIFICATION UNDER THIS SECTION 7.2 WITH RESPECT TO INCIDENTAL DAMAGES, SPECIAL DAMAGES, EXEMPLARY DAMAGES, CONSEQUENTIAL DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES CONSISTING OF BUSINESS INTERRUPTION, LOST PROFITS OR PUNITIVE DAMAGES.

(e) Defense of Third Party Claims and Extension of Statute of Limitations.

(i) Subject to the Purchasers' obligations under Section 7.2(c)(i), the Indemnifying Party shall have the right, in its discretion and at its expense, to participate in and control (A) the defense or settlement of any Claim (including appeals) (a "***Third Party Claim***") in respect of such item (or items) by any Person other than the Indemnified Party, subject to the prior written consent of the Indemnified Party with respect to any non-monetary provisions of any settlement (which consent shall not be unreasonably withheld, conditioned or delayed), (B) any and all negotiations with respect thereof, and (C) the assertion of any claim against any insurer with respect thereto. Notwithstanding the foregoing, Indemnifying Party's right to control any settlement or litigation (excluding any settlement or litigation associated with the Tax Dispute, which shall be governed by Schedule 6.8) is further subject to the following: (x) in the event that the Claim is being made by a third party who is a counterparty to any Material Contract, then Purchasers shall have the right to participate in the defense of such Claim, including by retaining legal counsel (at their sole cost and expense) and consulting with the Indemnifying Party, although the Indemnifying Party shall ultimately control the defense of such

Claim (which control and defense of the Claim shall be exercised in a reasonable manner); and (y) the Indemnifying Party shall only settle claims with the prior written consent of Purchasers (which consent shall not be unreasonably withheld, conditioned or delayed). Upon the Indemnifying Party's payment of any amounts due in respect of such Third Party Claim, the Indemnified Party will, to the extent of such payment, assign or cause to be assigned to the Indemnifying Party the claims of the Indemnified Party, if any, against such third parties in respect of which such payment is made.

(f) Disclosure Generally. If and to the extent any information required to be furnished in any Schedule is contained in this Agreement or in any other Schedule attached hereto (or in any Schedules Supplement), such information shall be deemed to be included in all Schedules in which the information is required to be included to the extent such disclosure is reasonably apparent on its face. The inclusion of any information in any Schedule attached hereto (or in any Schedules Supplement) shall not be deemed to be an admission or acknowledgement by the Sellers or the Company, in and of itself, that such information is material to or outside the ordinary course of the business of the Company or any of the Subsidiaries.

7.3 ***Escrow Amount.*** In order to secure Sellers' indemnity as provided in this Article VII, on the Closing Date, the Principal Sellers and the Purchasers shall enter into the Escrow Agreement with the Escrow Agent. Six (6) months after the Closing Date, the Principal Sellers shall instruct the Escrow Agent to return to Sellers an amount equal to fifty percent (50%) of the portion of Indemnification Escrow Amount pertaining to the deposit of ten percent (10%) of the Estimated Purchase Price, less the amount of any Claims made by Purchasers under this Article VII. On the first anniversary of the Closing Date, the Principal Sellers shall instruct the Escrow Agent to return to Sellers the balance of the portion of the Indemnification Escrow Amount pertaining to the deposit of ten percent (10%) of the Estimated Purchase Price shall be returned to the Sellers, less the amount of any unpaid Claims made by Purchasers under this Article VII. In the event that one (1) year after the Closing Date there are any unresolved Claims for indemnification made by Purchasers under this Article VII, subject to the continued withholding of a portion of the Indemnification Escrow Amount pursuant to the terms of Schedule 6.8, the balance of the Indemnification Escrow Amount not needed to pay such Claims shall be distributed to the Sellers Escrow Account for the account of the Sellers and such amounts needed to pay such Claims shall remain in the Escrow Account and shall be distributed to the Sellers Escrow Account for the account of the Sellers if and to the extent that such Claims against the Sellers are resolved and such amount is not needed to pay such Claims. The Escrow Agent shall comply with all requests from the Principal Sellers so long as the Escrow Agent receives no objection from Purchasers, in writing, within five (5) days after such request. Notwithstanding the foregoing, the release of the Additional Escrow Amounts shall be governed by Section 6.1 and Section 6.8 and the terms of the Escrow Agreement. Upon the receipt of funds in the Sellers Escrow Account, the Principal Sellers shall promptly instruct the Escrow Agent to distribute such funds to the Sellers based on the terms of the Company Operating Agreement (as if it were in effect at the time of such distribution).

ARTICLE VIII.
MISCELLANEOUS

8.1 ***Notices*.**

(a) Unless this Agreement specifically requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by facsimile or email or sent by registered or certified mail, postage prepaid, or by an internationally recognized overnight courier service that provides a receipt of delivery, in each case, to the Parties at the addresses specified below:

If to the Purchasers, to:
Hannon Armstrong Capital, LLC
1906 Towne Centre Blvd., Suite 370
Annapolis, Maryland 21401
Facsimile No.: 410.571.6199
e-mail:legaldepartment@hannonarmstrong.com
Attn: General Counsel

with a copy to:

Akin Gump Strauss Hauer & Feld LLP
633 West Fifth Street, Suite 5000
Los Angeles, California 90071
Facsimile No.:213.254.1201
Attn: Edward W. Zaelke, Esq.
Phone: 213.254.1234
e-mail: ezaelke@akingump.com
If to the Principal Sellers, to:

Northwharf Nominees Limited, the Barclays Member
5 North Colonnade
London
E14 4BB
Tel: 0203
Attn: Mark Brown
email: mark.brown1@barclays.com
Tel: +44 (0) 207 773 3281

with a copy to:

Northwharf Nominees Limited, the Barclays Member
5 North Colonnade
London
E14 4BB
Tel: 0203

Attn: Richard Jennings/Chris Leary
email: richard.jennings@barclays.com/christopher.leary@barclays.com
Tel: +44 (0) 207 773 3281

and

DBD AWCC LLC, the Fortress Member
1345 Avenue of Americas
New York, NY 10105
Attn: Josiah Lindsay
email: jlindsay@fortress.com
Tel: 212-479-5283

with a copy to:

DBD AWCC LLC, the Fortress Member
1 Market Street Spear Tower, 42nd Floor
San Francisco, CA 94105
Attn: Rick Noble
email: rnoble@fortress.com
Tel: (415) 284-7474

and

NGP Energy Technology Partners II, L.P., the Blocker Seller
1700 K Street, NW, Suite 750
Washington, DC 20006
Facsimile No.: (202) 536-3921
Attn: Philip Deutch
Email: pdeutch@ngpetp.com

with a copy to:

Wilson Sonsini Goodrich Rosati
1700 K Street, NW, Suite #5
Washington, DC 20006
Facsimile No.: (202) 973-8899
Attn: Dan Peale
Email: dpeale@wsgr.com

and

C.C. Hinckley Company, LLC, the Management Representative
26 Riverview Street
Essex, CT 06426
Attn: Charles C. Hinckley
Email: chuck@cchinckley.com

with copy to

Rogin Nassau, LLC
185 Asylum Street
Hartford, CT 06103-3460
bfeigenbaum@roginlaw.com
Attn: Barry S. Feigenbaum

(b) *Effective Time.* Notice given by personal delivery, mail or overnight courier pursuant to this Section 8.1 shall be effective upon physical receipt. Notice given by facsimile pursuant to this Section 8.1 shall be effective as of (i) the date of confirmed delivery if delivered before 5:00 p.m. Eastern Time on any Business Day or (ii) the next succeeding Business Day if confirmed delivery is after 5:00 p.m. Eastern Time on any Business Day or during any non-Business Day.

8.2 ***Entire Agreement.*** This Agreement and the Confidentiality Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and contains the sole and entire agreement between the Parties with respect to the subject matter hereof.

8.3 ***Expenses.*** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in connection with the negotiation, execution and closing of this Agreement and the transactions contemplated hereby.

8.4 ***Public Announcements.*** No public announcement (whether in the form of a press release or otherwise) shall be made by or on behalf of any Party or its Representatives with respect to the subject matter of this Agreement unless: (a) the other Party has agreed in writing to permit such public announcement to be made, which permission shall not be unreasonably withheld, or (b) such public announcement is required by Law and the Party required to make such announcement has given prior written notice in accordance with Section 8.1 to the other Party as promptly as practicable prior to such announcement. Any public announcement made as permitted under this Section 8.4 shall be made only in accordance with a text mutually agreed upon by the Parties, which agreement shall not be unreasonably withheld or delayed.

8.5 ***Waiver.*** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

8.6 ***Amendment.*** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party.

8.7 ***No Third Party Beneficiary.*** The terms and provisions of this Agreement are intended solely for the benefit of each Party and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person, except as set forth in Sections 6.3(b), 7.2(a), and 7.2(b).

8.8 ***No Assignment; Binding Effect.*** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any Party without the prior written consent of the other Parties, and any attempt to do so will be void, except for assignments and transfers by operation of Law. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective successors and assigns.

8.9 ***Headings.*** The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

8.10 ***Invalid Provisions.*** If any provisions of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of any Party under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

8.11 ***Governing Law.*** This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without regard to any conflict of laws provisions thereof that would result in the application of the Laws of another Jurisdiction.

8.12 ***Jurisdiction and Venue.*** Each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan and of the United States District Court for the Southern District of New York, and any appellate court from any such court, in any action or proceeding arising out of or relating to this Agreement. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Each Party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such Party by sending or delivering a copy of the process to the Party to be served at the address of the party and in the manner provided for the giving of notices in Section 8.1. Nothing in this Section 8.12, however, shall affect the right of any Party to serve legal process in any other manner permitted by Law. Each Party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by Law.

8.13 ***Waiver Of Jury Trial.*** EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

8.14 ***Specific Performance.*** The Parties acknowledge that the rights of each Party to consummate the transactions contemplated hereby are unique and recognize and affirm that in the event of a breach of this Agreement by any Party, money damages may be inadequate and the non-breaching Party may have no adequate remedy at law. Accordingly, the Parties agree that such non-breaching Party or Parties shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce their rights and the other Party's obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

8.15 ***Counterparts.*** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

8.16 ***Time of Essence.*** Time is of the essence in this Agreement. If the date specified in this Agreement for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

SELLERS:

BARCLAYS MEMBER:

NORTHWHARF NOMINEES LIMITED

By: /s/ R. Jennings
Name: R. Jennings
Title: Director

FORTRESS MEMBER:

DBD AWCC LLC

By: /s/ Constantine M. Dakolias
Name: Constantine M. Dakolias
Title: President

MANAGEMENT INVESTOR MEMBERS:

C.C. HINCKLEY COMPANY, L.L.C.

By: /s/ Charles C. Hinckley
Name: Charles C. Hinckley
Title: Managing Director

/s/ Andrew JC Hinckley
ANDREW JC HINCKLEY

/s/ Charles Aldridge
CHARLES ALDRIDGE

/s/ Maria Klutey
MARIA KLUTEY

/s/ Jeffrey Keeler
JEFFREY KEELER

/s/ Justin Marron
JUSTIN MARRON

/s/ Istvan Zollei
ISTVAN ZOLLEI

/s/ Lauren Gray
LAUREN GRAY

/s/ Matthew Brady
MATTHEW BRADY

/s/ Donald R. Kendall, Jr.
DONALD R. KENDALL, JR.

/s/ Heather Stone
HEATHER STONE

/s/ Soren Oberg
SOREN OBERG

/s/ Chad Brown
CHAD BROWN

/s/ Kelley Michael Gale
KELLEY MICHAEL GALE

/s/ John L. Sachs
JOHN L. SACHS

MANAGEMENT TEAM MEMBER:

35 PRATT STREET, LLC

By: /s/ Charles C. Hinckley
Name: Charles C. Hinckley
Title: Managing Director

BLOCKER SELLER:

NGP ENERGY TECHNOLOGY
PARTNERS II, L.P.

By: NGP ETP II, L.L.C.
Its: General Partner

By: /s/ Philip J. Deutch
Name: Philip J. Deutch
Title: President

PURCHASERS:

HANNON ARMSTRONG CAPITAL, LLC,
a Maryland limited liability company

By: /s/ Jeffrey W. Eckel
Name: Jeffrey W. Eckel
Title: President and Chief Executive Officer

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.,
a Maryland corporation

By: /s/ Jeffrey W. Eckel
Name: Jeffrey W. Eckel
Title: President and Chief Executive Officer

PRINCIPAL SELLERS:

NORTHWHARF NOMINEES LIMITED

By: /s/ R. Jennings
Name: R. Jennings
Title: Director

DBD AWCC LLC

By: /s/ Constantine M. Dakolias
Name: Constantine M. Dakolias
Title: President

NGP TECHNOLOGY PARTNERS II, L.P.
By: NGP ETP II, L.L.C.
Its: General Partner

By: /s/ Philip Deutch
Name: Philip Deutch
Title: President

MANAGEMENT REPRESENTATIVE:

C.C. HINCKLEY COMPANY, L.L.C.

By: /s/ Charles C. Hinckley
Name: Charles C. Hinckley
Title: President

AGREEMENT FOR PROFESSIONAL SERVICES

Hannon Armstrong Capital, LLC

and

AWCC Capital, LLC

This Agreement for Professional Services (together with the Exhibits hereto, the "Agreement") is made as of May 28, 2014 (the "Effective Date") by and between Hannon Armstrong Capital, LLC ("Company"), a Maryland limited liability company headquartered at 1906 Towne Centre Blvd., Suite 370, Annapolis, MD 21401 and AWCC Capital, LLC ("Contractor"), a Delaware limited liability company headquartered at 166 Main Street, Old Saybrook, Connecticut.

RECITALS

WHEREAS, American Wind Capital Company, LLC ("AWCC") partially owned and managed certain tangible assets and real property underlying wind and solar projects in the United States (the "Portfolio");

WHEREAS, Company is purchasing the Portfolio, from its existing owners, including AWCC under a Unit Purchase Agreement dated May 28, 2014 (the "UPA");

WHEREAS, Contractor, which is owned and managed by certain members of the former management team of AWCC, has expertise in the administration of wind and solar energy projects and have particular knowledge of the Portfolio; and

WHEREAS, Company desires to engage Contractor, and Contractor desires to accept such engagement, to administer the Portfolio and to identify opportunities to add to the Portfolio, in each case in accordance with terms and conditions set forth herein.

NOW THEREFORE, and in consideration of the mutual covenants and agreements contained herein, the parties do agree as follows:

1.
SERVICES TO BE RENDERED

A. Contractor shall undertake and perform for Company during the (i) Transition Term the services described in Exhibit B-1, (ii) Servicing and Asset Management Term, the services described in Exhibit B-2, and (iii) during the Origination Term the services described in Exhibit B-3 (collectively, the "Scope of Services" or "Services").

B. Company shall undertake the following actions for the benefit of Contractor:

1. Leases: On the Effective Date, Company shall assign, and Contractor shall accept assignment of, that certain lease agreement between Say Main LLC and AWCC, dated as of March 4, 2011 as amended by that certain first amendment, dated as of April 1, 2012, and that certain second amendment, dated as of March 1, 2014 (collectively, the "Current Lease"). Contractor shall accept assignment of that certain commercial office lease between bpl Properties of Connecticut, LLC and AWCC, dated as of May 7, 2014 (the "New Lease", and together with the Current Lease, the "Leases"). Contractor will use reasonable commercial efforts to have the New Lease assigned to Contractor and shall not renew the Current Lease. Contractor hereby agrees to indemnify, defend and hold harmless the Company, its officers, directors, employees and representatives, against any claim, liability, damage, cost or expense, including court costs and reasonable attorneys' fees, made or incurred after the Effective Date by the landlord or any other third party, in connection with or relating to, the Leases unless caused by Company prior to the Effective Date.

2. Personal Property: On the Effective Date, Company shall sell, and Contractor shall buy, all the personal property and equipment of Company located in Company's 166 Main Street office, including office furnishings, IT hardware and software, and one 2007 Ford SUV and as shown on Exhibit C for an amount equal to $2500. Such amount shall be paid by Contractor to Company on the Effective Date. Contractor shall be responsible for and shall bear the cost of any fees or taxes due or arising as a result of, or in connection with, the transfer of such personal property. The parties further agree to execute any further documents or instruments necessary or desirable to effect the transfer of such personal property, including, but not limited to, vehicle registrations. The parties shall cooperate in good faith to effect the transfer of such personal property.

3. Life Insurance. On the Effective Date, Company shall sell, and Contractor shall cause Mr. Hinckley to purchase, the life insurance policy insuring Mr. Hinckley, a principal of Contractor, for $13,617.

4. IT Software Licenses. As of the Effective Date, Contractor shall be responsible for, and shall bear the cost of, all third party IT software licenses required to perform the Services, including the renewal of any IT software licenses currently in use at the 166 Main Street if needed. Such IT software licenses are set forth on Exhibit D. If Contractor holds any intellectual property that may be useful to the Company in connection with the Portfolio or in performing its duties hereunder, Contractor shall make such intellectual property available to Company, provided that Company shall advance or reimburse the cost of obtaining such additional IT software licenses provided to Company by Contractor. Should Contractor recommend that additional IT software be obtained for use in providing the Services and should such additional IT software require one or more license payments to a third party, Company, in its reasonable discretion, shall approve or reject such IT software license(s) and fee(s), provided that if Company approves such IT software license(s) and fee(s), Company shall advance or reimburse the cost of the fee(s) to Contractor for the purchase of the IT software license(s).

5. Data and Records. During the Term, Company shall provide Contractor, or permit Contractor to retain, copies of all data and records previously used by AWCC and its affiliates in the conduct of their business (the "Company Property"), and Company hereby grants Contractor a license to use all Company Property in the performance of the Services for the Term of this Agreement on a royalty free basis. Such license shall automatically expire immediately upon the expiration or earlier termination of this Agreement or

the Term; provided, that, with Company's prior written consent, Contractor may retain a copy of Company Property for compliance with applicable laws or for audit purposes. Contractor agrees to maintain a copy of all records not in possession of the Company for compliance with Section 6.4 of the UPA.

6. Names, Logo and Marketing Material. Contractor will operate its business as AWCC Capital and shall have a license to use the logo, marketing material and website ("Marketing Material") in use by Company as of the Effective Date so long as such Marketing Material shall reflect the name of AWCC Capital and not the name of the Company. Such license shall automatically expire immediately upon the expiration or earlier termination of this Agreement or the Term. Contractor shall also be permitted to use the name of the Company to indicate that AWCC Capital is continuing to originate the transactions previously originated by the Company, provided that if Company shall reasonably object to any such use, Contractor will discontinue such use with 30 days following notice thereof from the Company unless otherwise agreed to by the Company.

7. Authorizations. In no event shall Contractor nor any of its affiliates, subcontractors, vendors or suppliers, or any employees of any of the foregoing have any authority to act for, bind or obligate Company.

8. Standard Terms and Conditions. The Standard Terms and Conditions set forth in Exhibit A are incorporated herein and form a part of this Agreement.

2.
EXCLUSIVITY

A. During the Term, Contractor shall work exclusively with Company on the (i) the acquisition and sale of royalty, lease or fee ownership of land used in solar and wind power projects in the United States (the "Business") and (ii) the administration and servicing of the Business. Company shall only use Contractor to conduct the Business. For the avoidance of any doubt, Company shall have no obligation to use Contractor for any other portion of Company's business of providing debt and equity investments for sustainable infrastructure projects. Contractor and Company shall work together under the terms of this Agreement on any such Business opportunity that becomes available to either party (each, an "Opportunity").

B. During the Term, neither party nor its affiliates shall, directly or indirectly, (1) solicit or attempt to hire any individual who is then an employee of such other party or its affiliate or (2) encourage any such individual to terminate his employment with the other party.

C. Notwithstanding anything to the contrary in this Agreement, Contractor shall not jointly or individually engage or invest in, and devote its time to, any business venture or activity other than the Business, without the prior consent of the Company. Contractor confirms to Company that Charles C. Hinckley is its Chief Executive Officer and Contractor acknowledges that Company considers the involvement of Charles C. Hinckley in Contractor to be a key consideration in its entering into the Agreement. If either (i) Charles C. Hinckley ceases to be employed by Contractor or (ii) Charles C. Hinckley fails to devote to the Services at least a majority of his business time, provided that Company acknowledges that Charles C.

Hinckley has other obligations that he will continue to fulfill, Company may, at its election, either (x) agree upon a key man replacement with Contractor pursuant to this Section 2.C, or (y) terminate this Agreement pursuant to Section 8(a) of Exhibit A. After the initial three (3) year Term, during any extensions thereof, if Charles C. Hinckley can reasonably demonstrate either that (i) another person is active in the Business and able to carry out the Contractor's obligations under this Agreement or (ii) it is no longer required that Charles C. Hinckley devote a majority of his business time to the Company in order for the Contractor to satisfy its obligations under this Agreement, then Charles C. Hinckley will not be restricted by the terms of this Section 2.C, to the extent that his actions are not necessary to the carrying out of the Contractor's obligations under this Agreement.

D. Notwithstanding anything to the contrary in this Agreement, if Contractor presents a preliminary Opportunity to Company, Company shall have two (2) weeks after receipt of such information to notify Contractor whether it wishes to pursue such preliminary Opportunity. If (i) Company rejects such preliminary Opportunity or fails to respond within such two (2) week period, and (ii) such Opportunity is materially substantially similar to any of the Material Tenant Projects (as defined in the UPA) listed in the UPA, including the use of a similar structure and a similar credit quality of the tenant or other royalty provider, then Contractor may pursue such Opportunity alone or with third parties without any further obligation to Company. If Company approves a preliminary Opportunity and such preliminary Opportunity becomes mature and prepared for a term sheet and closing, Company shall have up to four (4) weeks after receipt of all information requested by Company on the Opportunity to notify Contractor whether it wishes to pursue such Opportunity. If Company rejects such Opportunity or fails to respond within such four (4) week period, then Contractor may pursue such Opportunity alone or with third parties without any further obligation to Company. If Company approves the Opportunity but fails to pursue such Opportunity in good faith and/or to fund such Opportunity, then Contractor may provide written notice to Company of such failure, and if such failure continues for a period of two (2) weeks after provision of such written notice by Contractor and Company has not provided written objection to Contractor's notice, Contractor may pursue such Opportunity alone or with third parties without any further obligation to Company. In the event Company does provide written objection to Contractor's notice, the parties will resolve the dispute in accordance with the provisions of Section 13 of Exhibit A.

3.
PAYMENT FOR SERVICES

A. Payment for Services rendered under this Agreement (and reimbursement of Contractor) shall be made in U.S. dollars in such amounts as are designated in Exhibit E attached hereto.

4.
DEFINITION OF TERMS

A. "Business" shall have the meaning given to it in Section 2.A.

B. "Confidential Information" shall mean (i) the trade secrets, software source code, unpublished patent applications and proprietary or confidential documentation, manuals, memoranda, and records of Company and its affiliates and (ii) all other information of a proprietary or confidential nature relating to Company or its affiliates, or the business or assets of Company or its affiliates, other than information which is or becomes publicly available (other than as a result of the breach by Contractor of this Agreement) or is or becomes available to Contractor on a non-confidential basis from a source other than Company, (iii) pricing offered by the Company to Contractor on Exhibit E.

C. "Direct Expenses" shall mean reasonable, documented, third party costs directly relating to one or more Opportunities (including legal, surveys, environmental, title work, independent engineers and agent fees (such agent fees not to exceed 2% of the cost of an Opportunity and shall be reimbursable only upon closing of a transaction)), but shall not include any portion of fixed costs or allocation of overhead applicable to Contractor.

D. "Origination Term" shall mean the period commencing on the Effective Date and extending for three (3) years, unless extended for two additional one-year periods by Company, or sooner terminated as provided herein.

E. "Servicing and Asset Management Term" shall mean the period commencing on the Effective Date and extending for three (3) years, unless extended for two additional one-year periods by Company, or sooner terminated as provided herein.

F. "Transition Term" shall mean the period commencing on the Effective Date and extending for six (6) months, unless sooner terminated as provided herein.

5.
EXHIBITS

Exhibits A, B-1, B-2, B-3, C, D and E attached hereto are incorporated by reference into this Agreement as if fully set forth herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives to be effective as of the date first written above.

For: AWCC Capital, LLC

By: /s/ Charles C. Hinckley
Name: Charles C. Hinckley
Title: Managing Director
Address: 166 Main Street Old Saybrook, CT 06475

Facsimile: 860-767-1193

Email Address: chinkcly@americanwindcapital.com

For: Hannon Armstrong Capital, LLC

By: /s/ Jeffrey W. Eckel
Name: Jeffrey W. Eckel
Title: President and Chief Executive Officer

Address: 1906 Towne Centre Blvd., Suite 370
Annapolis, MD 21401
Facsimile: (410) 571-6199
Email Address: jeckel@hannonarmstrong.com

EXHIBIT A

STANDARD TERMS AND CONDITIONS
PROFESSIONAL SERVICES

1. Payment. Unless otherwise specified, Contractor's invoices shall be in the format and level of detail requested by Company and rendered monthly by the tenth (10th) day after the last day of the month for which payments are due. Payment shall be due thirty (30) days after the date the invoice is received by Company. Interest of 6% per annum shall be due on all late payments until paid in full.

2. Independent Contractor. Contractor is an independent contractor. None of Contractor, its affiliates, employees, subcontractors, vendors or suppliers, or any employees of any of the foregoing persons is or shall be deemed to be an agent, employee, servant or partner of, or engaged in a joint venture with, Company. Contractor has sole authority and responsibility to employ, discharge or otherwise control its employees. Neither Contractor, nor any of its employees (including officers and members), subcontractors or agents is entitled to receive the benefits which employees of Company are entitled to receive and shall not be entitled to workers' compensation, unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pension, profit sharing, social security or any other benefit from Company on account of the performance of the Services under this Agreement. Contractors shall maintain its own office and pay for all of its office and overhead expenses.

3. Compliance With Laws. In the performance of the Services, Contractor shall comply with all applicable federal, state and local laws, rules and regulations in all material respects. Contractor shall indemnify, defend and hold harmless Company from any liabilities, losses, costs or damages, including, but not limited to, reasonable attorneys' fees and expenses, which Company may incur as a result of a breach of this clause by Contractor.

4. Title to Materials.

(a) All rights, title and interest in all data, analyses, drafts, reports, drawings, prints, records, notebooks, manuals, computer printouts, specifications, physical property or other subject matter prepared specifically for Company and provided by Contractor pursuant to this Agreement shall vest solely in Company; provided, however, that Contractor shall be entitled to retain one copy thereof for its internal use, subject to the confidentiality provisions hereof and shall be able to use such materials in provision of Services under this Agreement. Contractor shall retain its rights in all standard drawing details, designs, specifications, databases, computer software and any other data or information of a general nature that is not specifically related to the Services or specifically prepared or developed for Company hereunder, but shall not charge Company for the use thereof by Contractor in the provision of Services under this Agreement.

(b) Unless otherwise disclosed and agreed to by Company in writing, all materials provided by Contractor to Company hereunder, shall be free of any claim of copyright or patent by any person, and Company, its assigns, and successors and nominees shall have the right to the use of all such materials.

(c) Contractor hereby grants and assigns to Company, its affiliates, successors and assigns, for their sole use and benefit any and all inventions, improvements, technical information and suggestions relating to the business of Company or any affiliate of Company (collectively, the "Inventions") which Contractor (or its employees) may develop or acquire during the term of this Agreement (whether or not during usual business hours) in the performance of the Services and provide Company, together with all patent applications, letters patent, copyrights and reissues thereof that may at any time be granted for or upon the Inventions. Company hereby grants Contractor a royalty-free, perpetual, non-exclusive license to use any such Inventions during the term of this Agreement for purposes of performance of the Services and for its internal business purposes, subject to the confidentiality provisions hereof.

5. Disclosure of Information. From and after the Effective Date, Contractor shall not use or disclose to any person, firm, company or other business entity, any Confidential Information for any reason or purpose whatsoever, except (a) as required in connection with the performance of the Services, (b) as required to in connection with any action or proceeding relating to this Agreement or the enforcement of rights hereunder, or (c) as required by law or judicial process.

6. Term. This Agreement shall be effective as of the Effective Date and shall expire (a) with respect to the Transition Services (as described in Exhibit B-1 of the Agreement) on the date that is six (6) months following the Effective Date; (b) with respect to the Servicing Services (as described in Exhibit B-2 of the Agreement) on the third (3rd) anniversary of the Effective Date; and (c) with respect to the Origination Services (as described in Exhibit B-3 of the Agreement) on the third (3rd) anniversary of the Effective Date, in each case unless terminated earlier or extended as provided herein (as relevant to the respective Services, the "Term"). Company may extend the Terms of the Servicing Services and/or the Origination Services for two (2) additional one year terms by providing notice to Contractor no later than thirty (30) days prior to the then-current expiry date of the Term for the provision of such Services.

7. Time for Performance.

(a) Contractor shall commence performance of the Services on the Effective Date and proceed diligently and continuously to completion. Contractor agrees to perform the Services during the Term, unless an event or circumstance or combination of events or circumstances beyond the reasonable control of Contractor which, or the effects of which, on or after the date of the Letter of Authorization, materially and adversely affect the performance by Contractor of its obligations under or pursuant to this Agreement ("Force Majeure"); provided, however, that any such event or circumstance, or combination of events or circumstances, shall not constitute a Force Majeure hereunder to the extent that it could have been prevented by or through the exercise of such diligence and care as would be exercised by a reasonably prudent person under similar circumstances.

(b) If, by reason of Force Majeure, Contractor is wholly or partially unable to carry out its obligations under this Agreement, Contractor shall give Company notice of such Force Majeure as soon as practicable (but, in any event, within seven (7) days after Contractor becomes aware of any Force Majeure or should with due diligence have become

aware of the commencement of such Force Majeure), describing the Force Majeure in reasonable detail and, to the extent that it can be reasonably determined at the time of the notice, providing an evaluation of the obligations affected or actual effect and a preliminary estimate of the period of time that Contractor will be unable to perform the obligations. Upon the occurrence of a Force Majeure, Contractor shall be entitled to a day-for-day extension of time to perform its obligations and to payment for additional costs resulting from the Force Majeure; provided, however, that (i) the prevention or delay of performance shall be of no greater scope and of no longer duration than is necessarily caused by the Force Majeure and required by any remedial measures, and (ii) Contractor shall use reasonable efforts to mitigate the effects of Force Majeure, including minimizing schedule delays in the performance of the Services and minimizing the parties' cost of compliance with the terms and conditions set forth in this Agreement.

8. Termination.

(a) This Agreement may be terminated upon notice from Company to Contractor in the event (i) a material breach of this Agreement by Contractor occurs hereunder, (ii) Contractor abandons or fails to diligently pursue the provision of Services hereunder, or (iii) Contractor engages in self-dealing or otherwise fails to act in good faith towards Company; provided, however, that Contractor shall have ten (10) days after receipt of such notice to cure such breach, abandonment, failure, or engagement (a "Termination For Cause"). In the event of a Termination for Cause, Company shall pay Contractor any amounts that have accrued under this Agreement prior to the effective date of termination, less any offsets by Company for any losses and damages caused by Contractor for any material breach of this Agreement by Contractor or suffered by Company arising from the event giving rise to the Termination For Cause. Except as provided in the immediately preceding two sentences, upon any Termination For Cause, Company shall have no further obligations to Contractor.

(b) Except in the case of a Termination for Cause, this Agreement may be terminated by Company for any reason or no reason upon giving thirty (30) days prior written notice to that effect to Contractor (a "Termination Other Than For Cause"). If this Agreement is terminated pursuant to this subsection (b) as a Termination Other Than For Cause, Company shall pay Contractor (i) any amounts that have accrued under this Agreement prior to the effective date of termination, (ii) reasonable, documented, out of pocket demobilization costs which are provided in writing to Company within thirty (30) days after such termination; and (iii) any Post Termination Transaction Fees (as defined in Exhibit E). Company shall pay any undisputed amounts specified in subclauses (i), (ii) and (iii) within thirty (30) days after receipt of an invoice therefor from Contractor , provided, however, that with respect to item (iii) above, such fees shall only be payable upon closing of the relevant transaction by Company.

(c) Upon termination of this Agreement pursuant to subsection (a), (b) or (d) of this Section 8, Contractor shall: (i) proceed in an orderly manner but with all reasonable speed, diligence and economy to take such steps as are necessary to bring to an end the Services under this Agreement; (ii) in the event that Company has appointed another firm or individual to complete the Services after such termination, reasonably cooperate with such firm or individual for the orderly transfer of the Services; and (iii) within fourteen (14) days after the date on which the termination takes effect, deliver to Company all documents, memoranda, notes, plans, records, reports, software and other work relating to the Confidential Information or Business used or prepared by Contractor as required by this Agreement.

(d) This Agreement may be terminated by Contractor upon the occurrence of any material breach of this Agreement by Company by giving thirty (30) days prior written notice to that effect to Company. If this Agreement is terminated pursuant to this clause, Company shall pay Contractor within (i) any amounts that have accrued under this Agreement prior to the effective date of termination, (ii) reasonable, documented, out of pocket demobilization costs which are provided in writing to Company within thirty (30) days after such termination; and (iii) any Post Termination Transaction Fees (as defined in Exhibit E). Company shall pay any undisputed amounts specified in subclauses (i), (ii) and (iii) within thirty (30) days after receipt of an invoice therefor from Contractor, provided, however, that with respect to item (iii) above, such fees shall only be payable upon closing of the relevant transaction by Company.

9. Responsibility for Services. Contractor shall perform the Services:

(a) in a diligent, prudent and commercial manner and in accordance with the terms and conditions of this Agreement and all applicable laws;

(b) in such manner and at such times so that no negligent or intentional act, omission or default by Contractor in relation to the Services shall constitute, cause or contribute to any breach by Company of those of its obligations of which Contractor is aware or should be aware, unless pursuant to a written instruction from Company to Contractor; and

(c) Contractor shall maintain worker's compensation, general liability and employee liability insurance which shall provide for coverage levels equal to or greater than that held by AWCC prior to its acquisition by the Company, unless such insurance or coverage levels are unavailable on commercially reasonable terms.

Company shall notify Contractor of any Services that do not meet the foregoing standards within five (5) business days after having actual knowledge of such defective Services. If and to the extent Contractor receives such a notice, Contractor shall, at no additional cost to Company, promptly re-perform the Services not meeting the foregoing standards. In addition, Contractor shall be responsible for any and all damages sustained by Company as a result of Contractor's Services not meeting the foregoing standards.

10. Subcontracts. Contractor may subcontract any or all of its obligations hereunder, including the performance of the Services;provided, however, that (a) no such subcontract by Contractor shall in any respect affect the terms of this Agreement, and (b) the engagement of any proposed subcontractor is subject to Company's prior written approval, not to be unreasonably withheld or delayed, if the annual amount payable to such Subcontractor (or any affiliate of such subcontractor) under the relevant subcontract or subcontracts exceeds $25,000, provided that the subcontractors listed on Schedule 1 hereto shall be deemed approved and shall not require additional approval by the Company. Contractor shall remain solely liable for any acts or omissions by any subcontractor in the performance of any Services delegated to such subcontractor. In no case shall Company be deemed to have contractual privity with any subcontractor solely as a result of the engagement by Contractor of such subcontractor for the provision of Services.

11. Taxes. Contractor shall be responsible for all present and future United States federal, state, local or other lawful taxes, duties, levies, withholdings or other impositions by tax authorities applicable to Contractor's gross receipts derived from or in connection with the performance of the Services by Contractor, other than sales and use taxes. Contractor shall make such tax payments as may be required by applicable law and shall indemnify and hold Company harmless from any liability Company may incur as a consequence of Contractor's failure to make such tax payments. Each party shall pay such sales and use taxes, if any, as are assessed against it or its subcontractors; provided, however, that Contractor shall not be considered a subcontractor of Company for this purpose.

12. Indemnity.

(a) Contractor shall be liable for, and shall defend, protect, indemnify and hold harmless Company, its owners, affiliates, successors and assigns and the directors, officers, shareholders, employees and agents thereof and of Company from and against, any and all claims, causes of action, costs, damages, demands, losses and expenses whatsoever resulting from the negligence, willful misconduct or breach of this Agreement on the part of Contractor, its employees, subcontractors or agents in the performance of this Agreement, excluding any contributory negligence of Company.

(b) Company shall be liable for, and shall defend, protect, indemnify and hold harmless Contractor, its owners, affiliates, successors and assigns and the directors, officers, shareholders, employees and agents thereof and of Contractor from and against, any and all claims, causes of action, costs, damages, demands, losses and expenses whatsoever resulting from the gross negligence, willful misconduct or breach on the part of Company, its employees, subcontractors or agents in the performance of this Agreement, excluding any contributory negligence of Contractor.

13. Disputes.

(a) In the event of a dispute or disagreement between Company and Contractor concerning the construction or interpretation of any provision of this Agreement or the performance of any of the terms of this Agreement, including, without limitation, disputes regarded as such by only one of the parties (each, a "Dispute"), the parties hereto shall negotiate in good faith to resolve such Dispute for a period of thirty (30) days after receipt by one party from the other of a notice of the Dispute.

(b) If the Dispute is not resolved within the thirty (30) day period referenced in clause (a) above, either party may initiate an action or proceeding in the Supreme Court of the State of New York sitting in the Borough of Manhattan and of the United States District Court for the Southern District of New York, and any appellate court from any such court (the "Applicable Courts"). Each of the parties irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Applicable Courts in any action or proceeding arising out of or relating to this Agreement. Each of the parties waives any defense

of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Each party agrees that service of summons and complaint or any other process that might be served in any action or proceeding may be made on such party by sending or delivering a copy of the process to the party to be served at the address of the party set forth below its signature above. Nothing in this clause (b), however, shall affect the right of any party to serve legal process in any other manner permitted by law. Each party agrees that a final, non-appealable judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law.

14. Limitation of Liability.

(a) Except in the case of fraud, gross negligence, or willful misconduct, Contractor's total cumulative aggregate liability to Company under or in connection with this Agreement shall not exceed its aggregate compensation hereunder for the twelve (12) months prior to the date of such indemnification claim.

(b) Notwithstanding any other provision of this Agreement, neither party shall be liable under this Agreement, whether based in contract, in tort (including negligence and strict liability) or otherwise, for any indirect, incidental, special or consequential damages, and each party hereby releases the other party and its contractors, subcontractors and agents from any such liability.

15. Miscellaneous.

(a) Company and Contractor each represent and warrant that (i) this Agreement has been duly authorized, executed and delivered and constitutes a binding agreement enforceable against it, subject to the application of bankruptcy and other laws affecting creditors' rights and to the application of equitable principles; and (ii) such person is not party to or bound by any employment agreement, consulting agreement, non-compete agreement, confidentiality agreement or similar agreement with any other person or entity that is inconsistent with the provisions of this Agreement.

(b) This Agreement supersedes all prior written and oral agreements that may have been entered into between Company and Contractor regarding the subject matter hereof and constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. No amendment to this Agreement shall be enforceable unless in writing and signed by the parties hereto.

(c) Subject to Clause 10, neither this Agreement nor the rights and obligations hereunder shall be assignable by any party hereto.

(d) This Agreement shall be construed in accordance with, and governed by, the laws of the State of New York without giving effect to the application of principles of conflict of laws (other than Section 5-1401 of the New York General Obligations Law).

(e) Notices shall be effective hereunder only if in writing addressed to the party designated in this Agreement, and only if (i) delivered personally to the party, (ii) sent to the facsimile number of the party set forth below its signature, (iii) sent by electronic transmission to the email address of the party set forth below its signature, or (iv) sent by first class or overnight mail (postage prepaid) to the address set forth below its signature.

(f) If any provision of this Agreement shall be unenforceable, the remaining provisions of this Agreement shall be unaffected thereby and shall continue in force and effect so that full effect is given to the intent of the parties hereto.

(g) The provisions of Clauses 1, 2, 4, 5, 8, 11, 12, 13, 14 and 15 of this Exhibit shall survive the termination or expiration of this Agreement.

(h) Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Company or Contractor.

(i) No waiver by either party of any default under this Agreement shall apply to or be deemed a waiver of any prior or subsequent default hereunder.

(j) The headings in this Agreement are for convenience only and shall not affect the interpretation hereof.

(k) The parties hereto may execute this Agreement in counterparts which shall, in the aggregate and when signed by all the parties hereto, constitute one and the same instrument.

(l) The parties to this Agreement shall act reasonably and in good faith in connection with the performance of their obligations under this Agreement.

EXHIBIT B-1 SCOPE OF TRANSITION SERVICES

1. Transition Services: Contractor shall

(a) With regard to any employees and contractors of AWCC ("AWCC Employees") that Contractor chooses to re-engage, re-engage such AWCC Employees pursuant to new agreements with Contractor with no direct liabilities to Company, including, at a minimum those Contractor Employees listed on Schedule 1. Contractor shall maintain, during the Term, such employees and/or contractors as are sufficient to perform the Services;

(b) help manage the integration of all accounting, treasury, software, IT, and related processes that are related to the AWCC assets that require such integration; and

(c) assume all AWCC office costs including rent, communications, utilities, and software licenses, including SalesForce.com and Intact, but excluding Direct Expenses.

EXHIBIT B-2 SCOPE OF SERVICING SERVICES

2. Servicing Services: Contractor shall

(a) manage and service the Portfolio;

(b) manage and service the Northstar and Lost Hills projects;

(c) manage and service any new assets as additional assets are purchased by Company ((a), (b), (c) collectively the 'Serviced Assets");

(d) as requested by Company, process all payables and receivables, and submit such payables and receivables to Company for receipt or payment;

(e) promptly deposit in an AWCC account all revenues, including, but not limited to, lease payments, rental payments, royalties, insurance and condemnation proceeds, tax rebates, environmental incentives, regulatory subsidies, deferred payments, and penalty payments arising from or related to the Portfolio or Business at any time prior to or following the acquisition of the Company;

(f) provide Company with a Quarterly Portfolio Performance Report;

(g) provide Company with unaudited monthly financial statements, quarterly GAAP compliant financial statements, monthly aging reports, and other reports requested by Company with respect to the Serviced Assets;

(h) coordinate with Company regarding new asset acquisition treasury needs;

(i) administer all royalty and lease agreements, and provide notice to Company of any (1) counterparty default, (2) counterparty "Event of Default," (3) pending or threatened litigation directly affecting the Portfolio, the counterparties, the Serviced Assets, Company or any Company assets;

(j) subject to Section 1(B)(4), maintain the software and hardware equipment to perform the Services; and

(k) maintain the AWCC website and continue to utilize the AWCC email account system while transitioning to AWCC Capital email addresses.

EXHIBIT B-3 SCOPE OF ORIGINATION SERVICES

3. Origination Services: Contractor shall

(a) conduct marketing activities in the wind power segment, including include marketing, sales efforts, and progressing each transaction to a term sheet;

(b) conduct marketing activities in the solar power segment, including marketing, sales efforts, and progressing each transaction to a term sheet;

(c) prepare on a monthly basis, a list of all Opportunities which shall, at a minimum list the name of the project, the key parties involved, the estimated dollar amount of the Opportunity, an analysis of such Opportunity as to whether it is materially substantially similar to any of the Material Tenant Projects (as defined in the UPA) listed in the UPA, including the use of a similar structure and a similar credit quality of the tenant or other royalty provider, the estimated closing date and the current status in a format and with such other information as the parties shall agree (the "Lead List")

(d) manage the transaction approval process;

(e) manage the preparation of transaction documents, including, but not limited to, the preparation of estoppels, title insurance, environmental reports in form and substance satisfactory to the Company;

(f) manage external agents, and payment of external agent's draw, expenses, and commissions (subject to Section 3 of Exhibit E);

(g) manage the SalesForce.com data base software and payment of costs related thereto;

(h) prepare underwriting document package and analysis; and

(i) manage third party consultants required to conduct due diligence in accordance with past practices.

EXHIBIT 31.1

CERTIFICATION CHIEF EXECUTIVE OFFICER PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey W. Eckel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hannon Armstrong Sustainable Infrastructure Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2014

By: /s/ Jeffrey W. Eckel
Name: Jeffrey W. Eckel
Title: Chairman, Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, J. Brendan Herron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hannon Armstrong Sustainable Infrastructure Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2014

By: /s/ J. Brendan Herron
Name: J. Brendan Herron
Title: Chief Financial Officer and Executive Vice President

EXHIBIT 32.1

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

The undersigned, the Chief Executive Officer of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "Company"), hereby certifies to the best of his knowledge on the date hereof, pursuant to 18 U.S.C. 1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (the "Form 10-Q"), filed concurrently herewith by the Company, 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 the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2014

By: /s/ Jeffrey W. Eckel
Name: Jeffrey W. Eckel
Title: Chairman, Chief Executive Officer and President

The undersigned, the Chief Financial Officer of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "Company"), hereby certifies to the best of his knowledge on the date hereof, pursuant to 18 U.S.C. 1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (the "Form 10-Q"), filed concurrently herewith by the Company, 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 the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2014

By: /s/ J. Brendan Herron
Name: J. Brendan Herron
Title: Chief Financial Officer and Executive Vice President

Pursuant to the Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.