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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2018

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, MD	**21401**
(Address of principal executive offices)	**(Zip Code)**

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

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of June 30, 2018, the aggregate market value of the registrant's common stock (includes unvested restricted stock) held by non-affiliates of the registrant was $1.0 billion based on the closing sales price of the registrant's common stock on June 30, 2018 as reported on the New York Stock Exchange.

On February 19, 2019, the registrant had a total of 63,436,907 shares of common stock, $0.01 par value, outstanding (which includes 1,465,951 shares of unvested restricted common stock).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for the 2019 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this Annual Report on Form 10-K ("Form 10-K") 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. Statements regarding the following subjects, among others, may be forward-looking:

- our expected returns and performance of our investments;
- the state of government legislation, regulation and policies that support or enhance the economic feasibility of sustainable infrastructure projects, including energy efficiency and renewable energy 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;
- availability of opportunities to invest in projects that reduce greenhouse gas emissions or mitigate the impact of climate change including energy efficiency and renewable energy projects and our ability to complete potential new opportunities in our pipeline;
- our relationships with originators, investors, market intermediaries and professional advisers;
- competition from other providers of capital;
- our or any other companies' projected operating results;
- actions and initiatives of the federal, state and local governments and changes to federal, state and local government policies, regulations, tax laws and rates 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;
- the impact of weather conditions, natural disasters, accidents or equipment failures or other events that disrupt the operation of our investments or negatively impact the value our assets;
- rates of default or decreased recovery rates on our assets;
- interest rate and maturity mismatches between our assets and any borrowings used to fund such assets;
- changes in interest rates, including the flattening of the yield curve, and the market value of our assets and target assets;
- changes in commodity prices, including continued low natural gas prices;
- effects of hedging instruments on our assets or liabilities;
- the degree to which our hedging strategies may or may not protect us from risks, such as interest rate volatility;
- impact of and changes in accounting guidance and similar matters;
- our ability to maintain our qualification as a real estate investment trust for U.S. federal income tax purposes (a "REIT");
- our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended (the "1940 Act");

- availability of and our ability to attract and retain qualified personnel;
- estimates relating to our ability to generate sufficient cash in the future to operate our business and to make distributions to our stockholders; and
- our understanding of our competition.

Forward-looking statements are based on beliefs, assumptions and expectations as of the date of this Form 10-K. 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 Form 10-K, whether as a result of new information, future events or otherwise.

The risks included here are not exhaustive. Other sections of this 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.

PART I

In this Form 10-K, unless specifically stated otherwise or the context otherwise indicates, references to "we," "our," "us" and "our company" 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 Form 10-K as our "Operating Partnership." Our business is focused on reducing greenhouse gases that have been scientifically linked to climate change. We refer to these gases, which are often for consistency expressed as carbon dioxide equivalents, as carbon emissions.

Item 1. Business

GENERAL

We focus on solutions that reduce carbon emissions and increase resilience to climate change by providing capital and specialized expertise to the leading companies in the energy efficiency, renewable energy and other sustainable infrastructure markets. Our goal is to generate attractive returns for our shareholders by investing in a diversified portfolio of assets and projects that generate long-term, recurring and predictable cash flows or cost savings from proven commercial technologies.

We believe we were one of the first U.S. public companies exclusively focused on financing solutions to climate change. Our investments, which typically benefit from contractually committed high credit quality obligors, have taken a number of forms including equity, joint ventures, land ownership, lending or other financing transactions. We also generate ongoing fees through gain-on-sale securitization transactions, services and asset management.

We are internally managed, and our management team has extensive relevant industry knowledge and experience, dating back more than 30 years. We have long-standing relationships with the leading energy service companies ("ESCOs"), manufacturers, project developers, utilities, owners and operators. Our origination strategy is to use these relationships to generate recurring, programmatic investment and fee generating opportunities. Additionally, we have relationships with leading banks, investment banks, and institutional investors from which we are referred additional investment and fee generating opportunities.

We completed approximately $1.2 billion of transactions during 2018, compared to approximately $1.0 billion during 2017. As of December 31, 2018, we held approximately $2.0 billion of transactions on our balance sheet, which we refer to as our "Portfolio." For those transactions that we choose not to hold on our balance sheet, we transfer all or a portion of the economics of the transaction, typically using securitization trusts, to institutional investors in exchange for a gain on the transfer and in some cases, ongoing fees. As of December 31, 2018, we managed approximately $3.3 billion in these trusts or vehicles that are not consolidated on our balance sheet. When combined with our Portfolio, as of December 31, 2018, we manage approximately $5.3 billion of assets, which we refer to as our "Managed Assets".

We use borrowings as part of our strategy to increase potential returns to our stockholders and have available to us a broad range of financing sources including non-recourse or recourse debt, equity, and off-balance sheet securitization structures. A further description of our financing activities can be found below.

We have a large and active pipeline of potential new opportunities that are in various stages of our underwriting process. We refer to potential opportunities as being part of our pipeline if we have determined that the project fits within our investment strategy and exhibits the appropriate risk and reward characteristics through an initial credit analysis, including a quantitative and qualitative assessment of the opportunity, as well as research on the market and sponsor. Our pipeline of transactions that could potentially close in the next 12 months consists of opportunities in which we will be the lead originator as well as opportunities in which we may participate with other institutional investors. As of December 31, 2018, our pipeline consisted of more than $2.5 billion in new equity, debt and real estate opportunities. There can, however, be no assurance with regard to any specific terms of such pipeline transactions or that any or all of the transactions in our pipeline will be completed.

We elected to be taxed as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013 and operate our business in a manner that will permit us to maintain our exemption from registration as an investment company under the 1940 Act.

INVESTMENT STRATEGY

With scientific consensus that climate warming trends are linked to human activities and resulting in various extreme weather events, we believe our firm is well positioned to generate attractive risk-adjusted returns by investing in, and managing a portfolio of, assets that reduce climate changing carbon emissions. Further, with increasing weather related events affecting certain of our markets, we see similar investment opportunities in infrastructure assets that mitigate the impact of, and increase the resiliency to, these weather events and climate change.

Our investment thesis is based on the following theories:

- More efficient technologies are more productive and thus should lead to higher economic returns;
- Lower portfolio risk is inherent in a portfolio of smaller investments, generated by trends of increasing decentralization and digitalization of energy assets, compared to larger, centralized utility-scale investments;
- Investing in assets aligned with scientific consensus and society's general beliefs will reduce potential regulatory and social costs through better internalization of externalities; and
- Assets that reduce carbon emissions represent an embedded option that may increase in value if carbon regulations were to set a price on carbon emissions.

We believe combining this investment thesis with our multi-decade experience in investing in our markets through multiple interest rate and business cycles, intermittent governmental support for reducing carbon emissions and several 'boom and bust' cycles of business expansions in renewable and other sustainable infrastructure markets, will allow us to earn attractive risk adjusted returns on the assets we invest in. We also believe there is potentially a very large market opportunity as the legacy technology for generating and using energy with systems that produce carbon emissions are converted to low-to-no carbon emission systems and mitigation and resiliency investments continue to increase in an effort to address weather events and climate change.

Our investments are focused on three areas:

- *Behind-The-Meter ("BTM")*: distributed building or facility projects, which reduce energy usage or cost through the use of solar generation and energy storage or energy efficient improvements including heating, ventilation and air conditioning systems ("HVAC"), lighting, energy controls, roofs, windows, building shells, and/or combined heat and power systems;
- *Grid Connected ("GC")*: projects that deploy cleaner energy sources, such as solar and wind to generate power where the off-taker or counterparty is part of the wholesale electric power grid; and
- *Other Sustainable Infrastructure:* upgraded transmission or distribution systems, water and storm water infrastructure, seismic retrofits and other projects, that improve water or energy efficiency, increase resiliency, positively impact the environment or more efficiently use natural resources.

We prefer investments where the assets have a long-term, investment grade rated off-taker or counterparties. In the case of BTM, the off-taker or counterparty may be the building owner or occupant, and we may be secured by the installed improvements or other real estate rights. In the case of GC, the off-taker or counterparty may be a utility or electric user who has entered into a contractually committed agreement, such as a power purchase agreement ("PPA"), to purchase some, or all of, the power produced by a renewable energy project at a minimum price with potential price escalators for a portion of the project's estimated life.

We make our investments utilizing a variety of structures including:

- Equity investments in either preferred or common structures in unconsolidated entities;
- Government and commercial receivables or securities, such as loans for renewable energy and energy efficiency projects; and
- Real estate, such as land or other assets leased for use by sustainable infrastructure projects typically under long term leases.

Our equity investments in renewable energy projects are operated by various renewable energy companies or by joint ventures in which we participate. These transactions allow us to participate in the cash flows associated with these projects, typically on a priority basis. Our energy efficiency debt investments are usually assigned the payment stream from the project savings and other contractual rights, often using our pre-existing master purchase agreements with the ESCOs. Our debt

investments in various renewable energy or other sustainable infrastructure projects or portfolios of projects are generally secured by the installed improvements or other real estate rights. We also own, directly or through equity investments, over 24,000 acres of land that are leased under long-term agreements to over50 renewable energy projects, where our rental income is typically senior to most project costs, debt, and equity.

We focus on projects that use proven technology and that often have contractually committed agreements with an investment grade rated off-taker or counterparties. While we prefer investments in which we hold a senior or preferred position in a project, as our markets evolve and grow, we are seeing increasing opportunities to invest, and have invested, in mezzanine debt or common equity in projects where we are subordinated to project debt and/or preferred forms of equity. Investing greater than 15% of our assets in any individual project requires the approval of a majority of our independent directors. We may adjust the mix and duration of our assets over time in order to allow us to manage various aspects of our portfolio, including expected risk-adjusted returns, macroeconomic conditions, liquidity, availability of adequate financing for our assets, and to maintain our REIT qualification and our exemption from registration as an investment company under the 1940 Act.

As of December 31, 2018, our Portfolio consisted of over185 investments and we seek to manage the diversity of our Portfolio by, among other factors, project type, project operator, type of investment, type of technology, transaction size, geography, obligor and maturity. The mix of our Portfolio is expected to vary over time and approximately 49% of our Portfolio was invested in BTM assets; approximately45% was invested in GC assets, which includes our land holdings, and approximately6% was invested in Other Sustainable Infrastructure.

As part of our investment process, we calculate the ratio of the estimated first year of metric tons of carbon emissions avoided by our investments divided by the capital invested to understand the impact our investments are having on climate change. In this calculation, which we refer to as CarbonCount®, we use emissions factor data, expressed on a CO^2 equivalent basis, from the U.S. Government or the International Energy Administration to an estimate of a project's energy production or savings to compute an estimate of metric tons of carbon emissions avoided. We estimate that our investments originated in 2018 will reduce annual carbon emissions by approximately 496 thousand metric tons. In addition to carbon, we also consider other environmental attributes, such as water use reduction, stormwater remediation benefits or stream restoration benefits.

We believe that our long history of energy efficiency and renewable energy investing, the experience, expertise and relationships of our management team, the anticipated credit strength of the obligors or investees of our investments and the size and growth potential of our market, position us well to capitalize on our strategy.

Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations, for additional discussion on the performance of our investment portfolio.

FINANCING STRATEGY

We believe we have available to us a broad range of financing sources as part of our strategy to increase potential returns to our stockholders. We may finance our investments through the use of non-recourse debt, recourse debt, or equity and may also decide to finance such transactions through the use of off-balance sheet securitization structures.

We have worked to expand our liquidity and access to the debt and bank loan markets and have entered into transactions with a number of new lenders and insurance companies in the last year. For example, in December 2018, we replaced our existing credit facility with two new primary credit facilities with a group of lenders, including several new lenders, that provide for a combined $450 million in borrowing capacity and a maturity in 2023. We often provide, and our sources of financing are increasingly interested in, the estimated carbon emission savings or environmental ratings associated with our financings.

We plan to raise additional equity capital and continue to use other fixed and floating rate borrowings which may be 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, including convertible debt and match funded arrangements, as a means of financing our business. We also expect to use both on-balance sheet and non-consolidated securitizations and believe we will be able to customize securitized tranches to meet investment preferences of different investors. In the future, we may use corporate unsecured debt to finance our investments. We may also consider the use of separately funded special purpose entities or funds to allow us to expand the investments that we make.

The decision on how we finance specific assets or groups of assets is largely driven by capital allocations, risk, and portfolio management considerations, as well as the overall interest rate environment, 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 financing arrangements. Although we are not restricted by any regulatory requirements as to the type or amount of leverage we may utilize, we do have certain targets we seek to, but are not required to, operate within; including maintaining a leverage ratio at or below 2.5 to 1 and the percentage of fixed rate debt to total debt between 60% to 85%. See additional discussion at Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operations—Liquidity and Capital Resources regarding our ongoing evaluation of our leverage and fixed-rate debt targets.

For those transactions that we choose not to hold on our balance sheet, we transfer all or a portion of the economics of the transaction, typically using securitization trusts, to institutional investors in exchange for a gain on the transfer and in some cases, ongoing fees. As a result of increases in short-term interest rates without a corresponding increase in long-term rates which has resulted in a reduction in the difference in yield between short-term interest rates and long-term interest rates known as a flattening of the yield curve, we have increased our use of securitization transactions and expect to continue to use a higher level of these transactions in the short to intermediate-term. The market for the assets we finance has remained active throughout various market cycles due to investor demand for high credit quality, long-term investments. We may arrange such securitizations of loans or other assets prior to originating the transaction and thus avoid exposure to credit spread, interest rate and funding risks that are normally associated with traditional capital markets conduit transactions. We also typically manage and service these assets in exchange for fees. We may also use other funds or structures where institutional investors purchase all or a portion of the economics of the transaction and where we may receive upfront or ongoing fees for managing the assets. We periodically provide other services, including arranging financings that are held on the balance sheet of other investors and advising various companies with respect to structuring investments.

Refer to Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operations—Liquidity and Capital Resources, for additional discussion on our financings and our ratios and Item 8. Financial Statements and Supplementary Data, Notes 5, 7 and 8 to our financial statements for further information on the types and amounts of our financing activities.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

We own and invest in a diversified group of sustainable infrastructure projects focused on reducing or mitigating the impacts of climate change through the allocation of our capital across the energy efficiency, renewable energy and other sustainability focused markets. Under the direction of our Chief Executive Officer and the board of directors, we are focused on achieving a high level of environmental and social responsibility and strong corporate governance. The Nominating, Governance and Corporate Responsibility Committee of our board of directors is responsible for our environmental, social and governance ("ESG") oversight, including for our policies and communications. Additionally, we have a committee, comprised of employees from across the organization, that is focused on implementing various ESG strategies, policies and communications that reports to our Chief Executive Officer.

Our business and business strategy are focused on addressing climate change, including through the reduction of carbon emissions. As described in the Investment Strategy section above, we estimate the carbon impact of each of our investments. In addition, we operate our business in a manner intended to reduce the environmental impact, including by purchasing carbon free electricity for our office and by encouraging recycling. In 2018, we adopted our Environmental Policies focused on our operations. We also participate in a number of climate focused initiatives including Climate Action 100+, We Are Still In and the Climate Disclosure Standards Board ("CDSB"). In 2017, we joined the CDSB's initiative to pledge to implement the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Additionally, in 2018, we became a signatory to the United Nations Global Compact, an initiative focused on responsible business practices related to human rights, labor, the environment and anti-corruption.

We are also focused on our social responsibility within our workforce and our community. In 2018, we adopted our Human Rights and Human Capital Management Policies to further our commitment to social responsibility. Our culture is focused on hiring and retaining diverse and highly talented employees and empowering them to create value for our stockholders. In our employee selection process and operation of our business we adhere to equal employment opportunity policies and encourage the participation of our employees in training programs that will enhance their effectiveness in the performance of their duties. Our Chief Executive Officer leads employee meetings intended to encourage employees to understand why sustainability matters and regularly meets with small groups of employees to receive their feedback on the business.

We provide competitive benefits that help our employees and their families be healthy and design compelling job opportunities, aligned with our mission, in an energizing work environment. We also encourage our employees to continue to

develop in their careers, including by obtaining advanced degrees or professional certifications. We compensate our employees according to our fair remuneration policies and believe deeply in paying for performance. Therefore, employees generally receive a portion of their compensation in the form of stock grants tied to performance. We encourage our employees to contribute their time to support various community and charitable activities and sponsor several local community organizations with a primary focus on environmental organizations.

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

- our board of directors is not staggered, with each of our directors subject to re-election annually;
- our board of directors has determined that six of our seven directors are independent for purposes of the New York Stock Exchange ("NYSE") corporate governance listing standards and Rule 10A-3 under the Exchange Act;
- two of our directors qualify as an "audit committee financial expert" as defined by the Securities and Exchange Commission (the "SEC");
- two of our directors are women, constituting 29% of the board, in furtherance of our board diversity policy;
- our Corporate Governance Guidelines provide for a majority vote policy for the election of directors pursuant to which any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall promptly tender his or her resignation to our board of directors, which shall consider whether or not to accept such resignation;
- we have established a target retirement age of 75 for our directors;
- we have an active stockholder outreach program, including providing stockholders the right to vote on the fairness of the remuneration of executives;
- our Statement of Corporate Policy Regarding Equity Transaction prohibits our directors and officers from hedging our equity securities, holding such securities in a margin account or pledging such securities as collateral for a loan;
- we adopted a Clawback Policy which provides for the possible recoupment of performance or incentive-based compensation in the event of an accounting restatement due to material noncompliance by us with any financial reporting requirements under the securities laws (other than due to a change in applicable accounting methods, rules or interpretations);
- we have opted out of the control share acquisition statute in the Maryland General Corporations Law (the "MGCL") and have exempted, from the business combinations statute in the MGCL, transactions that are approved by our board of directors;
- we do not have a stockholder rights plan; and
- we have expanded the role of our Nominating, Governance and Corporate Responsibility Committee to also focus on directing the strategy and oversight of our ESG strategies, activities, policies and communications.

In order to foster the highest standards of ethics and conduct in all business relationships, we have adopted a Code of Business Conduct and Ethics policy (the "Code of Conduct"). This policy, which covers a wide range of business practices and procedures, applies to our officers, directors and employees. In addition, we have implemented Whistleblowing Procedures related to accounting and auditing matters as well as Code of Conduct matters (the "Whistleblower Policy") that sets forth procedures by which any Covered Persons (as defined in the Whistleblower Policy) may raise, on a confidential basis, concerns regarding, among other things, any questionable or unethical accounting, internal accounting controls or auditing matters with our Audit Committee as well as any potential code of conduct or ethics violations with our Nominating, Governance and Corporate Responsibility Committee or our General Counsel.

We have adopted a Statement of Corporate Policy Regarding Equity Transactions that governs the process to be followed in the purchase or sale of our securities by any of our directors, officers, employees and consultants and prohibits any such persons from buying or selling our securities on the basis of material nonpublic information, and also prohibits our directors and officers from hedging equity securities of the Company, holding such securities in a margin account or pledging such securities as collateral for a loan. We review all of these policies on a periodic basis with our employees.

Our business is managed by our senior management team, subject to the supervision and oversight of our board of directors. Our directors stay informed about our business by attending meetings of our board of directors and its committees and through supplemental reports and communications. Our independent directors, led by the lead independent director, meet regularly in executive sessions without the presence of our officers.

COMPETITION

We compete against a number of parties, including banks, private equity, hedge or infrastructure investment funds, insurance companies, mutual funds, institutional investors, investment banking firms, financial institutions, specialty finance companies, utilities, independent power producers, project developers, pension funds, governmental bodies, public entities established to own infrastructure assets and other entities.

We compete primarily on the basis of service, price, structure and flexibility as well as the breadth and depth of our expertise. We may at times compete, and at other times partner or work as a participant, with alternative financing sources. The continued low interest rate environment and increasing investor acceptance of the sustainable infrastructure market has increased the level of competition we experience. The increase in the number and/or the size of our competitors in this market has resulted, and could continue to result, in less attractive terms on our investments or the need to accept a higher level of risks associated with our investments.

We also encounter competition in the form of potential customers or our origination partners electing to use their own capital rather than engaging an outside capital provider. In addition, we may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our sustainable infrastructure projects.

Some of our competitors are significantly larger, have greater access to capital and other resources or enjoy other advantages in comparison to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of opportunities and establish more relationships than we can. These competitors may not be subject to the same regulatory constraints (such as REIT compliance or the need to maintain an exemption from registration as an investment company under the 1940 Act) that we face.

We believe that a significant part of our competitive advantage is our management team's experience and industry expertise. However, we may not be able to achieve our business goals or expectations due to the competitive risks that we face, including increasing competition as a result of the increasing interest by various investors in our assets classes, including renewable energy, to enhance their investment returns. This, or other increases, in competition among competing providers of capital could adversely affect the returns we generate on our investments, and thereby adversely affect the market price of our common stock. For additional information concerning these competitive risks, see Item 1A. Risk Factors—We operate in a competitive market and future competition may impact the terms of our investments.

EMPLOYEES; STAFFING

As of December 31, 2018, we employed 49 people. We intend to hire additional business professionals as needed to assist in the implementation of our business strategy.

OUR EXECUTIVE OFFICERS AND OTHER SIGNIFICANT EMPLOYEES

Our executive officers and other significant employees and their ages are as follows:

Jeffrey W. Eckel, 60, has served as our president, chief executive officer, and chairman of our board of directors since 2013 and was with the predecessor of our company as president and chief executive officer since 2000 and prior to that from 1985 to 1989 as a senior vice president. Mr. Eckel is a member of the board of directors of the Alliance To Save Energy and is a member of the President's Council of Ceres, Inc., the Board of Trustees of The Nature Conservancy of Maryland and DC, and is a Director of the New York City-based Urban Green Council. He was appointed by the governor of Maryland to the board of the Maryland Clean Energy Center in 2011 where he served until 2016 while also serving as its chairman from 2012 to 2014. Mr. Eckel has over 35 years of experience in financing, owning and operating infrastructure and energy assets. Mr. Eckel received a Bachelor of Arts degree from Miami University in 1980 and a Master of Public Administration degree from Syracuse University, Maxwell School of Citizenship and Public Affairs, in 1981. He holds Series 24, 63 and 79 securities licenses. We believe Mr. Eckel's extensive experience in managing companies operating in the energy sector and expertise in energy investments make him qualified to serve as our president and chief executive officer and as chairman of our board of directors.

J. Brendan Herron, 58, has served as an executive vice president and our chief financial officer since 2013 and served in a variety of roles at the predecessor of our company and its affiliates from 1994 to 2005, and from 2011 to 2013. Effective March 1, 2019, Mr. Herron will take on a leadership role as an executive vice president focused on the company's strategy and

growth initiatives. Mr. Herron has over 25 years of experience in structuring, executing and operating infrastructure and technology investments. He formerly served on the U.S. Commerce Secretary's Renewable Energy and Energy Efficiency Advisory Committee and is presently a member of the Board of Trustees of Calvert Hall College High School (Baltimore, MD). Mr. Herron received a Bachelor of Science degree in accounting and computer science from Loyola University Maryland in 1982 and a Master of Business Administration degree from Loyola University Maryland in 1987 and has passed the CPA and CMA examinations.

Steven L. Chuslo, 61, has served as an executive vice president and our general counsel since 2013 and with the predecessor of our company as general counsel since 2008. Mr. Chuslo is responsible for internal governance matters and is actively involved in structuring, developing, negotiating and closing transactions. He has more than 25 years of experience in the fields of securities, commercial finance and energy development, U.S. federal regulation and project finance. Mr. Chuslo received a Bachelor of Arts degree in History from the University of Massachusetts/Amherst in 1982 and a Juris Doctorate from the Georgetown University Law Center in 1990.

Jeffrey A. Lipson, 51, joined the Company as our deputy chief financial officer in 2019. Effective March 1, 2019, Mr. Lipson will become an executive vice president and our chief financial officer. From 2013 until 2018, Mr. Lipson was President and Chief Executive Officer and Director of Congressional Bancshares and its subsidiary Congressional Bank; where he began as President and Chief Operating Officer in 2012. He continues to serve on the Board of Directors of Congressional Bank. Prior to that, Mr. Lipson was the Senior Vice President and Treasurer of CapitalSource and its subsidiary CapitalSource Bank and Senior Vice President, Corporate Treasury, at Bank of America and its predecessor FleetBoston Financial. He holds an MBA in Finance from New York University's Leonard N. Stern School of Business and a Bachelor of Science in Economics from Pennsylvania State University. Mr. Lipson serves on the Board of Directors of the Jewish Council for the Aging of Greater Washington.

Daniel K. McMahon, CFA, 47, has served us as an executive vice president since 2015 and is the head of our portfolio management group. He has been with the Company and its predecessor since 2000 in a variety of roles, including as a senior vice president from 2007 to 2015. He has played a role in analyzing, negotiating, structuring, and managing several billion dollars of transactions. Mr. McMahon received his Bachelor of Arts degree from the University of California, San Diego in 1993, and is a CFA charter holder. He holds Series 24, 63 and 79 securities licenses.

Charles W. Melko, CPA, 38, has served as our senior vice president and chief accounting officer of the Company since 2017. He joined the Company in 2016 as a senior vice president and controller. Prior to this role, he served in a number of roles at PricewaterhouseCoopers LLP since 2005, including as a Senior Manager in the National Professional Services Group where he focused on complex financial instruments accounting issues for energy clients. Mr. Melko received a Bachelor of Science degree in Accountancy in 2002, a Master of Business Administration degree in 2005 and a Master of Science degree in Accountancy from Wheeling Jesuit University in 2005. He holds a CPA license in West Virginia and Maryland.

Susan D. Nickey, 58, has served as a managing director of the Company since 2014. Prior to that, she founded and served as CEO of Threshold Power. Ms. Nickey currently serves on the Board of Directors of the American Wind Energy Association and its Finance Committee and the Board of Directors of the American Council of Renewable Energy and its Executive Committee. Ms. Nickey received a Bachelor in Business Administration from the University of Notre Dame in 1983 and a Master's of Science in Foreign Service from Georgetown University in 1986.

Nathaniel J. Rose, CFA, 41, has been an executive vice president since 2015 and our chief investment officer since 2017. He served as our chief operating officer from 2015 to 2017, our chief investment officer from 2013 to 2015 and has been with the Company and its predecessor since 2000. He has been involved with a vast majority of our transactions since 2000. He earned a joint Bachelor of Science and Bachelor of Arts degree from the University of Richmond in 2000, a Master of Business Administration degree from the Darden School of Business Administration at the University of Virginia in 2009, is a CFA charter holder and has passed the CPA examination. He holds a Series 63 and 79 securities licenses.

Dana M. Smith, SPHR, SHRM-SCP, 47, has served as our Chief Human Resources Officer since 2017. Prior to that, she was Chief Human Resources Officer for American Capital, Ltd. and its publicly-traded affiliates as well as Senior Vice President of Human Resources and Corporate Marketing for CapitalSource Inc. She received a Bachelor of Science in Economics from The Wharton School of the University of Pennsylvania in 1993 and a Master of Science in Organizational Counseling from The Johns Hopkins University in 2006.

AVAILABLE INFORMATION

We maintain a website at www.hannonarmstrong.com. Information on our website is not incorporated by reference in this Form 10-K. We will make available, free of charge, on our website (a) our Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K (including any amendments thereto), proxy statements and other information (collectively, "Company Documents") filed with, or furnished to, the Securities and Exchange Commission (the "SEC"), as soon as reasonably practicable after such documents are so filed or furnished, (b) Corporate Governance Guidelines, (c) Director Independence Standards, (d) Code of Business Conduct and Ethics policy and (e) written charters of the Audit Committee, Compensation Committee, Nominating, Governance and Corporate Responsibility Committee and Finance and Risk Committee of our board of directors. Company Documents filed with, or furnished to, the SEC are also available for review by the public at the SEC's website at www.sec.gov. We provide copies of our Corporate Governance Guidelines and Code of Business Conduct and Ethics policy, free of charge, to stockholders who request such documents. Requests should be directed to Investor Relations, 1906 Towne Centre Blvd, Suite 370, Annapolis, Maryland 21401, (410) 571-9860.

Item 1A. Risk Factors

Our business and operations are subject to a number of risks and uncertainties, the occurrence of which could adversely affect our business, financial condition, consolidated results of operations and ability to make distributions to stockholders and could cause the value of our capital stock to decline. We may refer to the energy efficiency, renewable energy and the other sustainable infrastructure projects or market collectively as sustainable infrastructure projects or the industry. Please also refer to the section entitled "Forward-Looking Statements."

Risks Related to Our Business and Our Industry

Our business depends in part on U.S. federal, state and local government policies and a decline in the level of government support could harm our business.

The projects in which we invest typically depend in part on various U.S. federal, state or local governmental policies and incentives that support or enhance project economic feasibility. Such policies may include governmental initiatives, laws and regulations designed to reduce energy usage and impact the use of renewable energy or the investment in and the use of sustainable infrastructure.

Policies and incentives provided by the U.S. federal government may include tax credits (with some of these tax credits that are related to renewable energy scheduled to be reduced in the future), tax deductions, bonus depreciation, federal grants and loan guarantees and energy market regulations. The value of tax credits, deductions and incentives may be impacted by changes in tax laws, rates or regulations.

Incentives provided by state and local governments may include renewable portfolio standards ("RPS"), which specify the portion of the power utilized by local utilities that must be derived from renewable energy sources such as renewable energy as well as the state or local government sponsored programs where the financing of energy efficiency or renewable energy projects is repaid through an assessment in the property tax bill in a program commonly referred to as property assessed clean energy ("PACE"). Additionally, certain states have implemented feed-in tariffs, pursuant to which electricity generated from renewable energy sources is purchased at a higher rate than prevailing wholesale rates. Other incentives include tariffs, tax incentives and other cash and non-cash payments.

Governmental agencies, commercial entities and developers of sustainable infrastructure projects frequently depend on these policies and incentives to help defray the costs associated with, and to finance, various projects. Government regulations also impact the terms of third party financing provided to support these projects. If any of these government policies, incentives or regulations are adversely amended, delayed, eliminated, reduced, retroactively changed or not extended beyond their current expiration dates, or there is a negative impact from the recent federal law changes or proposals, the operating results of the projects we finance and the demand for, and the returns available from, the investments we make may decline, which could harm our business.

U.S. federal, state and local government entities are major participants in the sustainable infrastructure industry and their actions could be adverse to our projects or our company.

The projects where we invest are, and will continue to be, subject to substantial regulation by U.S. federal, state and local governmental agencies. For example, many projects require government permits, licenses, concessions, leases or contracts.

Government entities, due to the wide-ranging scope of their authority, have significant leverage in setting their contractual and regulatory relationships with third parties. In addition, government permits, licenses, concessions, leases and contracts are generally very complex, which may result in periods of non-compliance, or disputes over interpretation or enforceability. If the projects where we invest fail to obtain or comply with applicable regulations, permits or contractual obligations, they could be prevented from being constructed or subjected to monetary penalties or loss of operational rights, which could negatively impact project operating results and the returns on our assets.

Contracts with government counterparties that support the projects where we invest may be more favorable to the government counterparties compared to commercial contracts with private parties. For example, a lease, concession or general service contract may enable the government to modify or terminate the contract without requiring the payment of adequate compensation. Typically, our contracts with government counterparties contain termination provisions including prepayment amounts. In most cases, the prepayment amounts provide us with amounts sufficient to repay the financing we have provided but may be less than amounts that would be payable under "make whole" provisions customarily found in commercial lending arrangements.

In addition, government counterparties also may have the discretion to change or increase regulation of project operations, or implement laws or regulations affecting project operations, separate from any contractual rights they may have. These actions could adversely impact the efficient and profitable operation of the projects in which we invest.

Government entities may also suspend or debar contractors from doing business with the government or pursue various criminal or civil remedies under various government contract regulations. They may also issue new government contracts or fail to extend existing government contracts. Our ability to originate new assets could be adversely affected if one or more of the ESCOs or other origination sources with whom we have relationships with are so suspended or debarred or fail to win new, or renew existing, contracts.

Changes in the terms of energy savings performance contracts could have a material and adverse impact on our business.

We derive a portion of our income from the assignment to us of payment streams under energy savings performance contracts with property owners, including government customers, in which the scope and cost of improvements and services are specified. While U.S. federal, state and local government rules governing such contracts vary, such rules may, for example, permit the funding of such contracts through long-term financing arrangements, permit long-term payback periods from the savings realized through such contracts, allow units of government to exclude debt related to such contracts from the calculation of their statutory debt limitation, allow for award of contracts on a "best value" instead of "lowest cost" basis and allow for the use of sole source providers. To the extent these rules become more restrictive in the future, our ability to provide financing to support these projects could be adversely impacted, which could harm our business. Changes in these rules, including retroactive changes, could also negatively impact the operating results of the projects we finance and the returns on our assets.

A change in the fiscal health, level of appropriations or budgets of U.S. federal, state and local governments could reduce demand for our investments.

Although our energy efficiency assets do not normally require direct governmental appropriations and instead the resulting cash flow is generally paid for out of operations and maintenance appropriations based on the energy and operating savings derived from the improved facility, a significant decline in the fiscal health, level of appropriations or budgets of government customers may make it difficult or undesirable for them to make existing payments or to enter into new energy efficiency improvement projects. Alternatively, the government may choose to provide financing or other credit support for sustainable infrastructure projects, which would negatively impact the use of private capital such as ours. This could have a material and adverse effect on the return of and return on our investments for existing projects and on our ability to originate new assets. Moreover, other changes in resources available to governments may also impact their willingness to undertake energy efficiency projects. For example, an increase in money set aside for government expenditures for energy efficiency projects may reduce demand for our investments.

In addition, to the extent we make investments that involve direct appropriations funding, we will depend on approval of the necessary spending for the projects. The repayment of the investment, or the return on our asset, could be adversely affected if appropriations for any such projects are delayed or terminated.

Because our business depends to a significant extent upon relationships with key industry players, our inability to maintain or develop these relationships, or the failure of these relationships to generate business opportunities, could adversely affect our business.

We rely to a significant extent on our relationships with key industry players in the markets we target. We originate transactions through programmatic finance relationships with various parties, including global ESCOs. We also originate transactions with renewable energy manufacturers, developers and operators who own and operate renewable energy projects, including a number of U.S. utility companies. In addition to the net proceeds from past and future offerings, we have traditionally financed our business by accessing the securitization, syndication or other debt markets, primarily utilizing our relationships with insurance companies and commercial banks. We also rely on relationships with a variety of key financial participants, including institutional investors, senior lenders, and investment and commercial banks, as well as leading intermediaries, to complement our origination and financing activities. Our inability to maintain or develop these relationships, or the failure of these relationships to generate business opportunities, could adversely affect our business. In addition, individuals and entities with whom we have relationships are not obligated to provide us with business opportunities, and, therefore, there is no assurance that such relationships will generate business opportunities for us.

If the cost of energy generated by traditional sources of energy continues to stay at present levels or declines, demand for the projects in which we invest may decline.

Many traditional sources of energy such as coal, petroleum based fuels and natural gas can be influenced by the price of underlying or substitute commodities. While we believe the potential for rising or increasingly volatile commodity prices and inflation will spur investment in our industry, there have been, and may continue to be, decreases in such prices, which may reduce the demand for energy efficiency projects or other projects, including renewable energy facilities, that do not rely on traditional energy sources. For example, we believe low natural gas prices may reduce the demand for projects like renewable energy that can substitute for natural gas. Additionally, low natural gas prices can adversely affect both the price available to renewable energy projects under future power sale agreements and the price of the electricity the projects sell on either a forward or a spot-market basis. Technological progress in electricity generation, storage or in the production of traditional fuels or the discovery of large new deposits of traditional fuels could reduce the cost of energy generated from those sources and consequently reduce the demand for the types of projects in which we invest, which could harm our new business origination prospects as well as the value of our existing portfolio. In addition, volatility in commodity prices, including 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. Any resulting decline in demand for our investments or the price that industry participants receive for the sale of their products could adversely impact our operating results.

If the market for various types of sustainable infrastructure projects or the investment techniques related to such projects do not develop as we anticipate, new business generation in this target area would be adversely impacted.

The market for various types of sustainable infrastructure projects such as renewable energy projects, commercial office building energy efficiency projects, electricity storage, and storm water and various other sustainable infrastructure projects are emerging and rapidly evolving, leaving their future success uncertain. Similarly, various investing techniques, such as leasing land for renewable energy projects, purchasing interests in existing renewable energy projects, the use of PACE financing and the use of taxable debt for state and local energy efficiency or sustainable infrastructure financings are emerging and the future success of these investing techniques is also uncertain. If some or all of these market segments or investing techniques prove unsuitable for widespread commercial deployment or if demand for such projects or techniques fail to grow sufficiently, the demand for our capital may decline or develop more slowly than we anticipate. Many factors will influence the widespread adoption and demand for such projects and investing techniques, including general and local economic conditions, commodity prices of traditional energy sources, the cost and availability of energy storage, the cost-effectiveness of various projects and techniques, performance and reliability of such technologies compared to conventional power sources and technologies, and the extent of government subsidies and regulatory developments. Any changes in the markets, products, technologies, financing techniques, or the regulatory environment could adversely impact the demand or financial performance for such projects and our investments.

In addition, renewable energy projects rely on electric and other types of transmission lines, pipelines and facilities owned and operated by third parties to obtain their inputs or distribute their output. Any substantial access barriers to these lines and facilities could make projects that depend on them more expensive, which could adversely impact the demand or financial performance for such projects and our investments.

Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of renewable energy and energy efficiency systems that may significantly reduce demand for systems in which we can invest.

Federal, state and local government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity products and services. These regulations and policies often relate to electricity pricing and the interconnection of customer-owned electricity generation. In the United States, governments and utilities continuously modify these regulations and policies. These regulations and policies could deter customers from purchasing energy efficiency and renewable energy systems. For example, the Department of Energy ("DOE") has requested the Federal Energy Regulatory Commission ("FERC") to change various policies and regulations related to the functioning of the electric markets which, if enacted, may negatively impact the use of renewable energy or encourage the use of fossil fuel energy over renewable energy. This could result in a significant reduction in the potential demand for such systems. Utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. In addition, there is an increasing trend towards initiating or increasing fixed fees for users to have electricity service from a utility. These fees could increase our customers' cost to use energy efficiency and renewable energy systems not supplied by the utility and make them less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, any changes to government or internal utility regulations and policies that favor electric utilities could reduce competitiveness and cause a significant reduction in demand for systems in which we invest.

Some projects in which we invest rely on net metering and related policies to improve project economics which if reduced could impact repayment of our investments or the return on our assets.

Many states have a regulatory policy known as net energy metering, or net metering. Net metering typically allows some project customers to interconnect their on-site solar or other renewable energy systems to the utility grid and offset their utility electricity purchases by receiving a bill credit at the utility's retail rate for the amount of energy in excess of their electric usage that is generated by their renewable energy system and is exported to the grid. At the end of the billing period, the customer simply pays for the net energy used or receives a credit at the retail rate if more energy is produced than consumed. Net metering policies are under review or have been limited or amended in a number of states. The ability and willingness of customers to pay for renewable energy systems which benefit from net metering rules may be reduced if net metering rules are eliminated or their benefits reduced, which may also impact our returns on such systems.

Sustainable infrastructure projects that involve the generation, transmission or sale of electricity such as renewable energy projects may be subject to regulation by the Federal Energy Regulatory Commission under the Federal Power Act or other regulations that regulate the sale of electricity, which may adversely affect the profitability of such projects.

Sustainable infrastructure projects that involve the generation, transmission or sale of electricity such as renewable energy projects may be "qualifying facilities" that are exempt from regulation as public utilities by the "FERC under the Federal Power Act, (the "FPA") while certain other such projects may be subject to rate regulation by the FERC under the FPA. FERC regulations under the FPA confer upon these qualifying facilities key rights to interconnection with local utilities, and can entitle such facilities to enter into PPAs with local utilities, from which the qualifying facilities benefit. Changes to these U.S. federal laws and regulations could increase the regulatory burdens and costs, and could reduce the revenue of the project. In addition, modifications to the pricing policies of utilities could require sustainable infrastructure projects to achieve lower prices in order to compete with the price of electricity from the electric grid and may reduce the economic attractiveness of certain energy efficiency measures. To the extent that the projects in which we invest are subject to rate regulation, the project owners will be required to obtain FERC acceptance of their rate schedules for wholesale sales of energy, capacity and ancillary services. Any changes in the rates project owners are permitted to charge could impact the repayment of our investments, or the return on our assets.

In addition, the operation of, and electrical interconnection for, our sustainable infrastructure projects may be subject to U.S. federal, state or local interconnection and federal reliability standards, some of which are set forth in utility tariffs. These standards and tariffs specify rules, business practices and economic terms to which the projects where we invest are subject and which may impact a project's ability to deliver the electricity it produces or transports to its end customer. The tariffs are drafted by the utilities and approved by the utilities' state and U.S. federal regulatory commissions. These standards and tariffs change frequently and it is possible that future changes will increase our administrative burden or adversely affect the terms and conditions under which the projects render services to their customers.

In addition, under certain circumstances, we may also be subject to the reliability standards of the North American Electric Reliability Corporation. If project owners fail to comply with the mandatory reliability standards, they could be subject to sanctions, including substantial monetary penalties, which could also raise credit risks for, or lower the returns available from, the projects in which we invest.

These various regulations may also limit the transferability or sale of renewable energy projects and any such limits could negatively impact our returns from such projects.

Unfavorable publicity or public perception of the industries in which we operate could adversely impact our operating results and our reputation.

The sustainable infrastructure industry, including various forms of renewable energy and PACE financings receives significant media coverage that, whether or not directly related to our business or our projects, can adversely impact our reputation and the demand for our investments. Similarly, negative publicity or public perception of the broader energy-related industries in which we operate or of climate change in general could reduce demand for our investments and our projects' services. Any reduction in demand for sustainable infrastructure projects or for our investments could damage our reputation or could have a material adverse effect on our results of operations and business prospects.

Future litigation or administrative proceedings could have a material and adverse effect on our business, financial condition and results of operations.

We may become involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business. In addition, we may be subject to legal proceedings or claims arising out of the projects in which we invest. Adverse outcomes or developments relating to these proceedings, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on the projects in which we invest, which could adversely impact the repayment of or the returns available for our assets.

We operate in a competitive market and future competition may impact the terms of our investments.

We compete against a number of parties who may provide alternatives to our investments including specialty finance companies, savings and loan associations, banks, private equity, hedge or infrastructure investment funds, insurance companies, mutual funds, institutional investors, investment banking firms, financial institutions, utilities, independent power producers, project developers, pension funds, governmental bodies, public entities established to own infrastructure assets and other entities. The continued low interest rate environment and increasing investor acceptance of the sustainable infrastructure market have increased the level of competition we experience. We also encounter competition in the form of potential customers or our origination partners electing to use their own capital rather than engaging an outside provider such as us. In addition, we may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our sustainable infrastructure projects. Some of our competitors are significantly larger than we are, have access to greater capital and other resources than we do and may have other advantages over us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than we can. In addition, many of our competitors are not subject to the operating constraints associated with REIT tax compliance or maintenance of an exemption from the 1940 Act. These characteristics could allow our competitors to consider a wider variety of opportunities, establish more relationships and offer better pricing and more flexible structuring than we can offer. We may lose business opportunities if we do not match our competitors' pricing, terms and structure. If we match our competitors' pricing, terms and structure, we may not be able to achieve acceptable risk-adjusted returns on our assets or we may be forced to bear greater risks of loss. The increase in the number and/or the size of our competitors in this market has resulted, and could continue to result, in less attractive terms on our investments or the need to accept a higher level of risks associated with our investments. As a result, competitive pressures we face could have a material adverse effect on our business, financial condition and results of operations.

Our business is affected by seasonal trends and construction cycles, and these trends and cycles could have an adverse effect on our operating results.

The volume and timing of our originations are subject to seasonal fluctuations and construction cycles, particularly in climates that experience colder weather during the winter months, such as the northern United States, or at educational institutions, where large projects are typically carried out during summer months when their facilities are unoccupied. In

addition, government customers, many of which have fiscal years that do not coincide with ours, typically follow annual procurement cycles. Further, government contracting cycles can be affected by the timing of, and delays in, the legislative process related to government programs, funding, or incentives that help drive demand for sustainable infrastructure projects. As a result of such fluctuations, we may occasionally experience fluctuations in the timing of new asset opportunities or declines in revenue or earnings as compared to the immediately preceding quarter, and comparisons of our operating results on a period-to-period basis may not be meaningful.

Risks Related to Our Assets and Projects in Which We Invest

Interest rate fluctuations and increases in interest rates could adversely affect the value of our assets, which could result in reduced earnings or losses and negatively affect our profitability.

Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control. Many of our assets pay a fixed rate of interest or provide a fixed preferential return.

With respect to our business operations, increases in interest rates, in general, may over time cause: (1) project owners to be less interested in borrowing or raising equity and thus reduce the demand for our investments; (2) the interest expense associated with our borrowings to increase; (3) the market value of our fixed rate or fixed return assets to decline; and (4) the market value of our interest rate swap agreements to increase. Conversely, decreases in interest rates, in general, may over time cause: (1) project owners to be more interested in borrowing or raising equity and thus increase the demand for our assets; (2) prepayments on our assets, to the extent allowed, to increase; (3) the interest expense associated with our borrowings to decrease; (4) the market value of our fixed rate or fixed return assets to increase; and (5) the market value of our interest rate swap agreements to decrease. Adverse developments resulting from changes in interest rates could have a material adverse effect on our business, financial condition and results of operations.

The lack of liquidity of our assets may adversely affect our business, including our ability to value and sell our assets.

Volatile market conditions could significantly and negatively impact the liquidity of our assets. Illiquid assets typically experience greater price volatility, as a ready market does not exist, and can be more difficult to value. In addition, validating third-party pricing for illiquid assets may be more subjective than more liquid assets. The illiquidity of our assets may make it difficult for us to sell such assets if the need or desire arises. In addition, if we are required to liquidate all or a portion of our Portfolio quickly, we may realize significantly less than the value at which we have previously recorded our assets. To the extent that we utilize leverage to finance our investments that are or become illiquid, the negative impact on us related to trying to sell assets in a short period of time for cash could be greatly exacerbated. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect our results of operations and financial condition.

We may experience a decline in the fair value of our assets.

A decline in the fair market value of available for sale securities, our receivables held-for-sale, our interest rate hedges, if any, or any other assets which we may carry at fair value in the future, may require us to reduce the value of such assets under generally accepted accounting principles in the United States ("GAAP"). In addition, all of our other financial assets are subject to an impairment assessment that could result in adjustments to their carrying values. Upon the subsequent disposition or sale of such assets, we could incur future losses or gains based on the difference between the sale price received and adjusted value of such assets as reflected on our balance sheet at the time of sale.

Some of the assets in our portfolio may be recorded at fair value and, as a result, there could be uncertainty as to the value of these assets.

Our investments are not publicly traded. The fair value of assets that are not publicly traded may not be readily determinable. In accordance with GAAP, we record certain of our assets at fair value, which may include unobservable inputs. Because such valuations are subjective, the fair value of these assets may fluctuate over short periods of time and our determinations of fair value may differ materially from the values that would have been used if a ready market for these assets existed. The value of our common stock could be adversely affected if our determinations regarding the fair value of these assets were materially higher than the values that we ultimately realize upon their disposal. Additionally, our results of operations for a given period could be adversely affected if our determinations regarding the fair value of these assets were

materially higher than the values that we ultimately realize upon their disposal. The valuation process can be particularly challenging during periods when market events make valuations of certain assets more difficult, unpredictable and volatile.

We may not realize income or gains from our assets, which could cause the value of our common stock to decline.

We seek to provide attractive risk-adjusted returns to our stockholders. However, our assets may not appreciate in value and, in fact, may decline in value, and the assets we originate or acquire may default or not perform in accordance with our expectations. Accordingly, we may not be able to realize gains or income from our assets. Any gains that we do realize may not be sufficient to offset any other losses we experience. Any income that we realize may not be sufficient to offset our expenses.

Many of our investments are not rated by a rating agency, which may result in an amount of risk, volatility or potential loss of principal that is greater than that of alternative asset opportunities.

Many of our investments are not rated by any rating agency and we expect that some of the assets we originate and acquire in the future will not be rated by any rating agency. Although we focus on sustainable infrastructure projects with high credit quality obligors, we believe that some of the projects or obligors in which we invest, if rated, would be rated below investment grade, due to speculative characteristics of the project or the obligor's capacity to pay interest and repay principal or pay dividends. Some of our assets may result in an amount of risk, volatility or potential loss of principal that is greater than that of alternative asset opportunities.

Any credit ratings assigned to our assets, debt or obligors are subject to ongoing evaluations and revisions and we cannot assure you that those ratings will not be downgraded.

To the extent our assets, their underlying obligors, or our debt are rated by credit rating agencies or by our internal rating process, such assets or our debt will be subject to ongoing evaluation by credit rating agencies and our internal rating process, and we cannot assure you that any ratings will not be changed or withdrawn in the future. For example, PG&E Corporation declared bankruptcy in January 2019, and credit rating agencies have downgraded, and are reviewing, a number of other the California utilities' credit ratings as a result of potential wild fire liability and such downgrades have reduced the amount we can borrow on certain assets that have California utilities as obligors and caused a rating agency to place on review the rating of two of our non-recourse debt facilities. If rating agencies assign a lower-than-expected rating or if a rating is further reduced or withdrawn by a rating agency or us, or if there are indications of a potential reduction or withdrawal of the ratings of our assets, the underlying obligors or our debt in the future, the value of these assets could significantly decline, the level of borrowings based on such asset could be reduced or we could incur higher borrowing costs to finance these assets or incur losses upon disposition or the failure of obligors to satisfy their obligations to us.

Our investments are subject to delinquency, foreclosure and loss, any or all of which could result in losses to us.

Our investments are subject to risks of delinquency, foreclosure and loss. In many cases, the ability of a borrower to return our invested capital and our expected return is dependent primarily upon the successful development, construction and operation of the underlying project. If the cash flow of the project is reduced, the borrower's ability to return our capital and our expected return may be impaired. We make certain estimates regarding project cash flows or savings during the underwriting of our investment. These estimates may not prove accurate, as actual results may vary from estimates. The cash flows or cost savings of a project can be affected by, among other things: the terms of the power purchase or other use agreements used in such project; the creditworthiness of the power off-taker or project user; power prices now and in the future; the technology deployed; unanticipated expenses in the development or operation of the project and changes in national, regional, state or local economic conditions, laws and regulations; and acts of God, terrorism, social unrest and civil disturbances.

In the event of any default or shortfall of an investment, we will bear a risk of loss of principal or equity to the extent of any deficiency between the value of the collateral, if any, and the amount of our investment, which could have a material adverse effect on our cash flow from operations and may impact the cash available for distribution to our stockholders. Many of the projects are structured as special purpose limited liability companies which limits our ability to realize any recovery to the collateral or value of the project itself. In the event of the bankruptcy of a project owner, obligor, or other borrower, our investment or the project will be deemed to be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession and our or the project's contractual rights may be unenforceable under federal bankruptcy or state law. Foreclosure proceedings against a project can be an expensive and lengthy process, which could have a substantial negative effect on our anticipated return on the foreclosed investment.

Our sustainable infrastructure projects may incur liabilities that rank equally with, or senior to, our investments in such projects.

We provide a range of investment structures, including various types of debt and equity securities, senior and subordinated loans, real property leases, mezzanine debt, preferred equity and common equity. Our projects may have, or may be permitted to incur, other liabilities or equity preferences that rank equally with, or senior to, our positions or investments in such projects or businesses, as the case may be, including with respect to grants of collateral. By their terms, such instruments may entitle the holders to receive payment of interest, principal payments or other distributions on or before the dates on which we are entitled to receive payments with respect to the instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an entity in which we have invested, holders of instruments ranking senior to our investment in that project or business would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior stakeholders, such project may not have any remaining assets to use for repaying its obligation to us. In the case of securities ranking equally with instruments we hold, we would have to share on an equal basis any distributions with other stakeholders holding such instruments in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant project.

Our mezzanine or subordinated loans are less protected against losses than senior debt.

We make or acquire mezzanine or subordinated loans, which are loans made to project owners for sustainable infrastructure projects that are subordinate to other more senior interest or are secured by pledges of the borrower's ownership interests in the project and/or the project owner. These mezzanine or subordinated loans may be subordinate to senior secured loans on the project or to the returns required by the investors focused on the tax attributes in a project, known as tax equity investors, but senior to the project owner's equity. In the event a borrower defaults on a loan and lacks sufficient assets to satisfy our mezzanine or subordinated financing, we may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, we may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy our mezzanine or subordinated loan. In addition, mezzanine or subordinated loans are by their nature structurally subordinated to more senior project level investments, and in some cases, to tax equity investors. If a borrower defaults on our mezzanine or subordinated loan, on its obligations to the tax equity investor or on debt or other obligations senior to our loan, or if a borrower declares bankruptcy, our mezzanine or subordinated loan will be satisfied only after the project level debt or other obligations or tax equity and other senior debt is paid in full. Significant losses related to our mezzanine or subordinated loans would result in operating losses for us and may limit our ability to make distributions to our stockholders.

Our subordinated and mezzanine debt and equity investments, many of which are illiquid with no readily available market, involve a substantial degree of risk.

We make subordinated and mezzanine debt and equity investments which may fail to be repaid or appreciate and may decline in value or become worthless and our ability to recover our investment will depend on the success of the project in which we make such investments. Subordinated and mezzanine debt and equity investments involve a number of significant risks, including:

- subordinated and mezzanine debt and any equity investment we make in a project could be subject to further dilution as a result of the issuance of additional debt or equity interests and to serious risks because subordinated and mezzanine debt are subordinate to other indebtedness and in some cases, project tax equity, and equity interests are subordinate to all indebtedness (including trade creditors) and any senior securities in the event that the issuer is unable to meet its obligations or becomes subject to a bankruptcy process;
- to the extent that a project in which we invest requires additional capital and is unable to obtain it, we may not recover our investment; and
- in some cases, subordinated and mezzanine debt will not pay current interest or principal or equity investments will not pay current dividends, and our ability to realize a return on our investment, as well as to recover our investment, will be dependent on the success of the project in which we invest. The project may face unanticipated costs or delays or may not generate projected cash flows which could lead to the project generating lower rates of return than we expected when we decided to fund the project. Further, many projects in which we make subordinated and mezzanine debt or equity investments will be subject to competitive risks and to volatility in commodity prices including the price of energy. Even if the project is successful, our ability to realize the value of our investment may be dependent on our ability to renew commercial contracts for a project or on the occurrence of a liquidity or other event.

We generally do not control the projects in which we invest.

Although the covenants in our financing or investment documentation generally restrict certain actions that may be taken by project owners, we generally do not control the projects in which we invest. As a result, we are subject to the risk that the project owner may make business decisions with which we disagree or take risks or otherwise act in ways that do not serve our interests.

We invest in joint ventures or other similar arrangements that subject us to additional risks.

Some of our projects are structured as joint ventures, partnerships and securitization, syndication and consortium arrangements. Part of our strategy is to participate with other institutional investors or the project's management in consortiums and in partnerships on various sustainable infrastructure transactions. These arrangements are driven by the magnitude of capital required to complete acquisitions and the development of sustainable infrastructure projects and other industry-wide trends that we believe will continue. Such arrangements involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, partners or co-venturers might at any time have economic or other business interests or goals different from us. Joint ventures, partnerships and securitization, syndication and consortium investments generally provide for a reduced level of control over an acquired project because governance rights are shared with others. Accordingly, decisions relating to the underlying operations, including decisions relating to the management, operation and the timing and nature of any exit, are often made by a majority vote of the investors or by separate agreements that are reached with respect to individual decisions. In addition, such operations may be subject to the risk that the project owners may make business, financial or management decisions with which we do not agree or the management of the project may take risks or otherwise act in a manner that does not serve our interests. Because we may not have the ability to exercise control over such operations, we may not be able to realize some or all of the benefits that we believe will be created from our involvement. If any of the foregoing were to occur, our business, financial condition and results of operations could suffer as a result.

In addition, some of our joint ventures, partnerships, securitization or syndication or consortium arrangements, including some of our equity investments, subject the sale or transfer of our interests in these projects to rights of first refusal or first offer, tag along rights or drag along rights and buy-sell, call-put or other restrictions. Such rights may be triggered at a time when we may not want them to be exercised and such rights may inhibit our ability to sell our interest in an entity within our desired time frame or on any other desired terms.

Energy efficiency, renewable energy and other sustainable infrastructure projects are subject to performance risks that could impact the repayment of and the return on our assets.

Energy efficiency, renewable energy and other sustainable infrastructure projects are subject to various construction and operating delays and risks that may cause them to incur higher than expected costs or generate less than expected amounts of output such as electricity in the case of a renewable energy project. These risks include construction delays, a failure or degradation of our, our customers' or the utilities' equipment; obsolescence of, or an inability to find suitable, equipment or parts; labor shortages; less than expected supply of a project's source of renewable energy, such as solar insolation and wind; or a faster than expected diminishment of such supply. Further, many projects in which we invest will be subject to competitive risks and to volatility in commodity prices including the price of energy. Any extended interruption in the project's construction or operation, any cost overrun or failure of the project for any reason to generate the expected amount of output or cash flow, could have a material adverse effect on the repayment of and the return on our assets.

Many of our assets depend on revenues from third-party contractual arrangements.

Many of the projects in which we invest rely on revenue or repayment from contractual commitments of end-customers, including federal, state or local governments for energy efficiency projects or utilities or other customers under PPAs. There is a risk that these customers will default under their contracts. In addition, many of these end-customers are large entities with wide ranging activities. An event in a non-related part of the business could have a material adverse impact on the financial strength of such end-customer such as the recent wildfires in California on the California utilities. Furthermore, the bankruptcy, insolvency or other liquidity constraints of one or more customers may result in a renegotiation or rejection of the third-party contract, delay the receipt of any obligations or reduce the likelihood of collecting defaulted obligations. Some projects rely on one customer for their revenue and thus the project could be materially and adversely affected by any material change in the financial condition of that customer. While there may be alternative customers for such a project, there can be no assurance that a new contract on the same terms will be able to be negotiated for the project.

Certain of our projects with contractually committed revenues or other sources of repayment under long term contracts will be subject to re-contracting risk in the future. We cannot provide assurance that these contracts can be re-negotiated once their terms expire on equally favorable terms or at all. If it is not possible to renegotiate these contracts on favorable terms, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Revenues at some of the projects in which we invest depend on reliable and efficient metering, or other revenue collection systems, which are often specified in the contract. There is a risk that, if one or more of such projects are not able to operate and maintain the metering or other revenue collection systems in the manner expected, if the operation and maintenance costs, are greater than expected, or if the customer disputes the output of the revenue collection system, the ability of the project to repay our investments or provide a return to us on our asset could be materially and adversely affected.

We are exposed to the credit risk of ESCOs and others.

While we do not anticipate facing significant credit risk in our assets related to 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 in which we invest that do not depend on funding from governments. We seek to mitigate this credit risk by employing a comprehensive review and asset selection process and careful ongoing monitoring of acquired assets. Nevertheless, unanticipated credit losses could occur which could adversely impact our operating results. During periods of economic downturn in the global economy, our exposure to credit risks from obligors increases, and our efforts to monitor and mitigate the associated risks may not be effective in reducing our credit risks. Certain participants in the sustainable energy industry have experienced significant declines in the value of their equity and difficulty in raising or refinancing debt, which increases the credit risk to these companies and there can be no assurance they will be able to fulfill their obligations which could adversely impact our operating results.

Some of the projects in which we invest have sold their output under PPAs which expose the projects to various risks.

Some of our projects enter into PPAs when they contract to sell all or a fixed proportion of the electricity generated by the project, sometimes bundled with renewable energy credits and capacity or other environmental attributes, to a power purchaser, often a utility. PPAs are used to stabilize our revenues from that project. We are exposed to the risk that the power purchaser, who we consider an obligor, will fail to perform under a PPA or the PPA will be terminated or expire, which will lead to that project needing to sell its electricity at the then market price, which could be substantially lower than the price provided in the applicable PPA. In most instances, the project also commits to sell minimum levels of generation. If the project generates less than the committed volumes, it may be required to buy the shortfall of electricity on the open market or make payments of liquidated damages or be in default under a PPA, which could result in its termination. In the event that any of these events were to occur, our business, financial condition and results of operations could suffer as a result.

Portions of the electricity our assets generate is sold on the open market at spot-market prices. A prolonged environment of low prices for natural gas, or other conventional fuel sources, could have a material adverse effect on our long-term business prospects, financial condition and results of operations.

Historically low prices for traditional fossil fuels, particularly natural gas, could cause demand for renewable energy to decrease or adversely affect both the price available to our projects under PPAs that the projects may enter into in the future and the price of the electricity the projects generate for sale on a spot-market basis. Low spot market power prices, if combined with other factors, could have a material adverse effect on the projects and its value and our expected returns, results of operations and cash available for distribution. Additionally, cheaper conventional fuel sources could also have a negative impact on the power prices the projects are able to negotiate upon the termination of current PPAs. As a result, the price our projects realize in the open market could be materially and adversely affected, which could, in turn, have a material adverse effect on the project's current and expected results of operations and cash available for distribution. In the event that any of these events were to occur, our business, financial condition and results of operations could suffer as a result.

The ability of our assets to generate revenue from certain projects depends on having interconnection arrangements and services.

The future success of our assets will depend, in part, on their ability to maintain satisfactory interconnection agreements. If the interconnection or transmission agreement of a project is terminated for any reason, they may not be able to replace it with an interconnection and transmission arrangement on terms as favorable as the existing arrangement, or at all, or they may

experience significant delays or costs in connection with securing a replacement. If a network to which one or more of the projects is connected experiences equipment or operational problems or other forms of "down time," the affected project may lose revenue and be exposed to non-performance penalties and claims from its customers. These may include claims for damages incurred by customers, such as the additional cost of acquiring alternative electricity supply at then-current spot market rates. The owners of the network will not usually compensate electricity generators for lost income due to down time. In addition, our projects may be exposed to a locational basis risk resulting from a difference between where the power is generated and the contracted delivery point. These factors could materially affect the ability to forecast operations on these projects, which could negatively affect our business, results of operations, financial condition and cash flow.

Our projects and their obligors are exposed to an increase in climate change or other change in meteorological conditions which could have an impact on electric generation, revenue or the ability of the projects or their obligors to honor their contract obligations, all of which could adversely affect our business, financial condition and results of operations and cash flows.

The electricity produced and revenues generated by a renewable electric generation facility are highly dependent on suitable weather conditions, which are beyond our control. Components of renewable energy systems, such as turbines, solar panels and inverters, could be damaged by natural disasters or severe weather, including wildfires, hurricanes, hailstorms or tornadoes. Furthermore, the potential physical impacts of climate change may impact our projects, including the result of changes in weather patterns (including floods, tsunamis, drought, and rainfall levels), wind speeds, water availability, storm patterns and intensities, and temperature levels. The projects in which we invest will be obligated to bear the expense of repairing the damaged renewable energy systems and replacing spare parts for key components and insurance may not cover the costs or the lost revenue. Natural disasters or unfavorable weather and atmospheric conditions could impair the effectiveness of the renewable energy assets, reduce their output beneath their rated capacity, require shutdown of key equipment or impede operation of the renewable energy assets, which could adversely affect our business, financial condition and results of operations and cash flows. Sustained unfavorable weather could also unexpectedly delay the installation of renewable energy systems, which could result in a delay in our investing in new projects or increase the cost of such projects.

We typically base our investment decisions with respect to each renewable energy facility on the findings of studies conducted on-site prior to construction or based on historical conditions at existing facilities. However, actual climatic conditions at a facility site may not conform to the findings of these studies. Even if an operating project's historical renewable energy resources are consistent with the long-term estimates, the unpredictable nature of weather conditions often results in daily, monthly and yearly material deviations from the average renewable resources anticipated during a particular period. Therefore, renewable energy facilities in which we invest may not meet anticipated production levels or the rated capacity of the generation assets, which could adversely affect our business, financial condition and results of operations and cash flows.

The amount of electricity renewable energy generation assets produce is also dependent in part on the time of year. For example, because shorter daylight hours in winter months results in less solar irradiation, the generation of particular assets will vary depending on the season. Further, time-of-day pricing factors vary seasonally which contributes to variability of revenues. As a result, we expect the revenue and cash flow from certain of our assets to vary based on the time of year.

In addition, many of the project's end-customers are large entities with wide ranging activities. A climate related event in a non-related part of the business could have a material adverse impact on the financial strength of such end-customer and their ability to honor their contractual obligations which could negatively impact on revenue and the cash flow of the project and our business.

Operation of the projects in which we invest involves significant risks and hazards customary to our investees that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The ongoing operation of the projects in which we invest involves risks that include the breakdown or failure of equipment or processes or performance below expected levels of output or efficiency due to wear and tear, latent defect, design error or operator error or force majeure events, among other things. In addition to natural risks such as earthquake, flood, drought, lightning, wildfire, hurricane and wind, other hazards, such as fire, explosion, structural collapse and machinery failure, acts of terrorism or related acts of war, hostile cyber intrusions or other catastrophic events are inherent risks in the operation of a project. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations. Operation of a project also involves risks that the operator will be unable to transport its product to its customers in an efficient manner due to a lack of transmission capacity. Unplanned outages of projects, including extensions of scheduled outages due to mechanical failures or other problems, occur from time to time and are an inherent risk of the business.

Unplanned outages typically increase operation and maintenance expenses and may reduce revenues as a result of selling fewer megawatt hours or require the project to incur significant costs as a result of obtaining replacement power from third parties in the open market to satisfy forward power sales obligations. The project's inability to operate its assets efficiently, manage capital expenditures and costs and generate earnings and cash flow could have a material adverse effect on our investment and our business, financial condition, results of operations and cash flows. While the projects maintain insurance, obtain warranties from vendors and obligate contractors to meet certain performance levels, the proceeds of such insurance, warranties or performance guarantees may not cover the lost revenues, increased expenses or liquidated damages payments should the project experience any equipment breakdowns, insurance claims or non-performance by contractors or vendors.

Some of the projects in which we invest may require substantial operating or capital expenditures in the future.

Many of the projects in which we invest are capital intensive and require substantial ongoing expenditures for, among other things, additions and improvements, and maintenance and repair of plant and equipment related to project operations. While we do not typically bear the responsibility for these expenditures, any failure by the equity owner to make necessary operating or capital expenditures could adversely impact project performance. In addition, some of these expenditures may not be recoverable from current or future contractual arrangements.

The use of real property rights that we acquire or are used for our sustainable infrastructure projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to us.

The projects in which we invest often require large areas of land for construction and operation or other easements or access to the underlying land. In addition, we may acquire rights to land or other real property. The rights to use the land can be obtained through freehold title, leases and other rights of use. Although we believe that the real property rights we acquire, or our projects in which we invest, have valid rights to all material easements, licenses and rights of way, not all of such easements, licenses and rights of way are registered against the lands to which they relate and may not bind subsequent owners. Some of our real property rights and projects generally are, and are likely to continue to be, located on land occupied pursuant to long-term easements and leases. The ownership interests in the land subject to these easements and leases may be subject to mortgages securing loans or other liens (such as tax liens) and other easement and lease rights of third parties (such as leases of water, oil or mineral rights) that were created prior to, or are superior to, our or our projects' easements and leases. As a result, our rights may be subject, and subordinate, to the rights of those third parties. We typically obtain representations or perform title searches or obtain title insurance to protect our real property interest or our investments in our projects against these risks. Such measures may, however, be inadequate to protect against all risk of loss of rights to use the land rights we have acquired or the land on which these projects are located, which could have a material and adverse effect on our land rights, our projects and their financial condition and operating results.

We own land or leasehold interests that are used by renewable energy projects. Negative market conditions or adverse events affecting tenants, or the industries in which they operate, could have an adverse impact on our underwritten returns. Moreover, many of our assets are concentrated in similar geographic locations, which subjects us to an increased risk of significant loss if any property declines in value or if we are unable to lease a property.

We own land or leasehold interests used by renewable energy projects that are concentrated in a limited number of geographic locations. One consequence of this is that the aggregate returns we realize may be substantially adversely affected by the unfavorable performance of a small number of leases or a significant decline in the market value of any single property. Our cash flow depends in part on the ability to lease the real estate to projects or other tenants on economically favorable terms. We could be adversely affected by various facts and events over which we have limited or no control, such as:

- lack of demand in areas where our properties are located;
- inability to retain existing tenants and attract new tenants;
- oversupply of space and changes in market rental rates;
- our tenants' creditworthiness and ability to pay rent, which may be affected by their operations, the current economic situation and competition within their industries from other operators;
- defaults by and bankruptcies of tenants, failure of tenants to pay rent on a timely basis, or failure of tenants to comply with their contractual obligations;
- economic or physical decline of the areas where the properties are located; and

- destruction from natural disasters.

At any time, any tenant may experience a downturn in its business, including increased operating costs, termination of a PPA or low spot-market prices of products, that may weaken its operating results or overall financial condition, a tenant may delay lease commencement, fail to make rental payments when due, decline to extend a lease upon its expiration, become insolvent or declare bankruptcy. Any tenant bankruptcy or insolvency, leasing delay or failure to make rental payments when due could result in the termination of the tenant's lease and material losses to us.

If a tenant elects to terminate its lease prior to or upon its expiration or does not renew its lease as it expires, we may not be able to rent or sell the properties or realize our expected value. Furthermore, leases that are renewed and some new leases for properties that are re-leased, may have terms that are less economically favorable than expiring lease terms, or may require us to incur significant costs, such as lease transaction costs. In addition, negative market conditions or adverse events affecting tenants, or the industries in which they operate, may force us to sell vacant properties for less than their carrying value, which could result in impairments. Any of these events could adversely affect the value of our asset, the cash flow from operations and our ability to make distributions to stockholders and service indebtedness. A significant portion of the costs of owning property, such as real estate taxes, insurance and maintenance, are not necessarily reduced when circumstances cause a decrease in rental revenue from the properties. In a weakened financial condition, tenants may not be able to pay these costs of ownership and we may be unable to recover these operating expenses from them.

Further, the occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from the tenant's lease or leases. For instance, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that most likely would be substantially less than the remaining rent we are owed under the leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full. As a result, tenant bankruptcies may have a material adverse effect on our results of operations.

In addition, since renewable energy projects are often concentrated in certain states, we would also be subject to any adverse change in the political or regulatory climate in those states or specific counties where such properties are located that could adversely affect our properties and our ability to lease such properties.

Performance of projects where we invest may be harmed by future labor disruptions and economically unfavorable collective bargaining agreements.

A number of the projects where we invest could have workforces that are unionized or that in the future may become unionized and, as a result, are required to negotiate the wages, benefits and other terms with many of their employees collectively. If these projects were unable to negotiate acceptable contracts with any of their unions as existing agreements expire, they could experience a significant disruption of their operations, higher ongoing labor costs and restrictions on their ability to maximize the efficiency of their operations, which could have a material and adverse effect on our business, financial condition and results of operations. In addition, in some jurisdictions where our projects have operations, labor forces have a legal right to strike which may have a negative impact on our business, financial condition and results of operations, either directly or indirectly, for example if a critical upstream or downstream counterparty was itself subject to a labor disruption which impacted the ability of our projects to operate.

We invest in projects that rely on third parties to manufacture quality products or provide reliable services in a timely manner and the failure of these third parties could cause project performance to be adversely affected.

We invest in projects that typically rely on third parties to select, manage or provide equipment or services. Third parties may be responsible for choosing vendors, including equipment suppliers and subcontractors. Project success often depends on third parties who are capable of installing and managing projects and structuring contracts that provide appropriate protection against construction and operational risks. In many cases, in addition to contractual protections and remedies, project owners may seek guaranties, warranties and construction bonding to provide additional protection.

The warranties provided by the third parties and, in some cases, their subcontractors, typically limit any direct harm that results from relying on their products and services. However, there can be no assurance that a supplier or subcontractor will be willing or able to fulfill its contractual obligations and make necessary repairs or replace equipment. In addition, these warranties generally expire within one to five years or may be of limited scope or provide limited remedies. If projects are unable to avail themselves of warranty protection or receive the expected protection under the terms of the guaranties or bonding, we may need to incur additional costs, including replacement and installation costs, which could adversely impact our investment.

Liability relating to environmental matters may impact the value of properties that we may acquire or the properties underlying our assets.

Under various U.S. federal, state and local laws, an owner or operator of real estate or a project may become liable for the costs of removal of certain hazardous substances released from the project or any underlying real property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances.

The presence of hazardous substances may adversely affect our, or another owner's, ability to sell a contaminated project or borrow using the project as collateral. To the extent that we, or another project owner, become liable for removal costs, our investment, or the ability of the owner to make payments to us, may be negatively impacted.

We acquire real property rights, make investments in projects that own real property, have collateral consisting of real property and in the course of our business, we may take title to a project or its underlying real estate assets relating to one of our debt financings. In these cases, we could be subject to environmental liabilities with respect to these assets. To the extent that we become liable for the removal costs, our results of operation and financial condition may be adversely affected. The presence of hazardous substances, if any, may adversely affect our ability to sell the affected real property or the project and we may incur substantial remediation costs, thus harming our financial condition.

Our insurance and contractual protections may not always cover lost revenue, increased expenses or liquidated damages payments.

Although our assets or projects generally have insurance, supplier warranties, subcontractors performance assurances such as bonding and other risk mitigation measures, the proceeds of such insurance, warranties, bonding or other measures may not be adequate to cover lost revenue, increased expenses or liquidated damages payments that may be required in the future.

Risks Related to Our Company

We may change our operational policies (including our investment guidelines, strategies and policies) with the approval of our board of directors but without stockholder consent at any time, which may adversely affect the market value of our common stock and our ability to make distributions to our stockholders.

Our board of directors determines our operational policies and may amend or revise our policies, including our policies with respect to acquisitions, dispositions, growth, operations, compensation, indebtedness, capitalization and dividends, or approve transactions that deviate from these policies, without a vote of, or notice to, our stockholders at any time. We may change our investment guidelines, underwriting process and our strategy at any time with the approval of our board of directors, but without the consent of our stockholders, which could result in originating assets that are different in type from, and possibly riskier than, the assets initially contemplated. In addition, our charter provides that our board of directors may authorize us to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interests to qualify as a REIT. These changes could adversely affect our business, financial condition, results of operations and our ability to make distributions to our stockholders.

Our management and employees depend on information systems and system failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to make distributions to our stockholders.

Our underwriting process and our asset and financial management and reporting are dependent on our present and future communications and information systems. Any failure or interruption of these systems could cause delays or other problems in our originating, financing, investing, asset and financial management and reporting activities, which could have a material adverse effect on our operating results.

We contract with information technology service providers where, in part, we rely upon their systems and controls for the quality of the data provided. The inappropriate establishment and maintenance of these systems and controls could cause information that we use to operate our business to be unavailable or inaccurate and could negatively impact our financial results.

Our information technology architecture is partially outsourced. These systems and processes may be either internet based or through traditional outsourced functions and certain of these arrangements are new or emerging. When we contract with these service providers we attempt to evaluate the quality of their systems and controls before we execute the arrangement and may rely on third party reviews and audits of these service providers and attempt to implement certain processes to ensure the quality of the data received from these service providers. Because of the nature and maturity of the technology such efforts may be unsuccessful or incomplete and the unavailability of these systems or the inaccurate data provided from these service providers could negatively impact our financial results.

Cybersecurity risk and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our financial results.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance cost, litigation and damage to our relationships. As our reliance on technology has increased, so have the risks posed to both our information systems and those provided by third-party service providers. We have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that our financial results, operations or confidential information will not be negatively impacted by such an incident.

We may seek to expand our business internationally, which will expose us to additional risks that we do not face in the United States, which could have an adverse effect on our business, financial condition and operating results.

We generate substantially all of our revenue from operations in the United States, and currently derive only a small amount of revenue from outside of the United States. We may seek to expand our revenue and projects outside of the United States in the future. These operations will be subject to a variety of risks that we do not face in the United States, including risk from changes in foreign country regulations, infrastructure, legal systems and markets. Other risks include possible difficulty in repatriating overseas earnings and fluctuations in foreign currencies.

Our overall success in international markets will depend, in part, on our ability to succeed in different legal, regulatory, economic, social and political conditions. We may not be successful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we decide to do business. Our failure to manage these risks successfully could harm our international projects, reduce our international income or increase our costs, thus adversely affecting our business, financial condition and operating results.

We will continue to seek to expand our business in part through future acquisitions or other similar investments.

As we grow our business, we have used, and will continue to use, acquisitions of, or other types of transactions such as equity or convertible debt investments in, companies or assets to invest in new or different projects, expand our project skill-sets and capabilities, expand our geographic markets, add experienced management and increase our product and service offerings. There are a number of risks associated with these transactions and we may not achieve our goals in the transaction. Such transaction could disrupt our business, cause dilution to our stockholders and harm our business, financial condition or operating results. In addition, the time and effort involved to identify candidates and consummate such transactions may divert members of our management from the operations of our company.

Risks Relating to Regulation

We cannot predict the unintended consequences and market distortions that may stem from far-ranging governmental intervention in the economic and financial system or from regulatory reform of the oversight of financial markets.

The U.S. federal government, the Federal Reserve Board of Governors, the U.S. Treasury, the SEC, U.S. Congress and other governmental and regulatory bodies have taken, are taking or may in the future take, various actions to address the financial crisis or other areas of regulatory concern, such as the Dodd—Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Such actions could have a dramatic impact on our business, results of operations and financial condition, and the cost of complying with any additional laws and regulations or the elimination or reduction in scope of various existing laws and regulations could have a material adverse effect on our financial condition and results of operations. The far-ranging government intervention in the economic and financial system may carry unintended consequences and cause market distortions. We are unable to predict at this time the extent and nature of such unintended consequences and market distortions, if any. The inability to evaluate the potential impacts could have a material adverse effect on the operations of our business.

Loss of our 1940 Act exemption would adversely affect us, the market price of shares of our common stock and our ability to distribute dividends.

We conduct our operations so that we are not required to register as an investment company under the 1940 Act. Section 3(a)(1)(A) of the 1940 Act defines an investment company as any issuer that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the 1940 Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. Government securities and cash items) on a non-consolidated basis, which we refer to as the 40% test. Excluded from the term "investment securities," among other things, are U.S. Government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exemption from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the 1940 Act.

We conduct our businesses primarily through our subsidiaries and our operations so that we comply with the 40% test. The securities issued by any wholly-owned or majority-owned subsidiaries that we hold or may form in the future that are excepted from the definition of "investment company" based on Section 3(c)(1) or 3(c)(7) of the 1940 Act, together with any other investment securities we may own, may not have a value in excess of 40% of the value of our total assets on a non-consolidated basis. Certain of our subsidiaries rely on or will rely on an exemption from registration as an investment company under the 1940 Act pursuant to Section 3(c)(5)(C) of the 1940 Act, which is available for entities which are not primarily engaged in issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates and which are primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate. This exemption generally requires that at least 55% of such subsidiaries' portfolios must be comprised of qualifying assets and at least 80% of each of their portfolios must be comprised of qualifying assets and real estate-related assets under the 1940 Act. Consistent with guidance published by the SEC staff, we intend to treat as qualifying assets for this purpose loans secured by projects for which the original principal amount of the loan did not exceed 100% of the value of the underlying real property portion of the collateral when the loan was made. We intend to treat as real estate-related assets non-controlling equity interests in joint ventures that own projects whose assets are primarily real property. In general, with regard to our subsidiaries relying on Section 3(c)(5)(C), we rely on other guidance published by the SEC or its staff or on our analyses of guidance published with respect to other types of assets to determine which assets are qualifying real estate assets and real estate-related assets.

In addition, one or more of our subsidiaries qualifies for an exemption from registration as an investment company under the 1940 Act pursuant to either Section 3(c)(5)(A) of the 1940 Act, which is available for entities which are not engaged in the business of issuing redeemable securities, face-amount certificates of the installment type or periodic payment plan certificates, and which are primarily engaged in the business of purchasing or otherwise acquiring notes, drafts, acceptances, open accounts receivable, and other obligations representing part or all of the sales price of merchandise, insurance, and services, or Section 3(c)(5)(B) of the 1940 Act, which is available for entities primarily engaged in the business of making loans to manufacturers, wholesalers, and retailers of, and to prospective purchasers of, specified merchandise, insurance, and services. These exemptions generally require that at least 55% of such subsidiaries' portfolios must be comprised of qualifying assets that meet the requirements of the exemption. We intend to treat energy efficiency loans where the loan proceeds are specifically provided to finance equipment, services and structural improvements to properties and other facilities and renewable energy

and other sustainable infrastructure projects or improvements as qualifying assets for purposes of these exemptions. In general, we also expect, with regard to our subsidiaries relying on Section 3(c)(5)(A) or (B), to rely on guidance published by the SEC or its staff, including reliance on a no-action letter obtained in connection with Sections 3(c)(5)(A) and 3(c)(5)(B) of the 1940 Act, or on our analyses of guidance published with respect to other types of assets to determine which assets are qualifying assets under the exemptions.

Although we monitor the portfolios of our subsidiaries relying on the Section 3(c)(5)(A), (B) or (C) exemptions periodically and prior to each acquisition, there can be no assurance that such subsidiaries will be able to maintain their exemptions. Qualification for exemptions from registration under the 1940 Act will limit our ability to make certain investments. For example, these restrictions will limit the ability of these subsidiaries to make loans that are not secured by real property or that do not represent part or all of the sales price of merchandise, insurance, and services.

There can be no assurance that the laws and regulations governing the 1940 Act, including the Division of Investment Management of the SEC providing more specific or different guidance regarding these exemptions, will not change in a manner that adversely affects our operations. For example, on August 31, 2011, the SEC issued a concept release (No. IC-29778; File No. SW7-34-11, Companies Engaged in the Business of Acquiring Mortgages and Mortgage-Related Instruments) pursuant to which it is reviewing the scope of the exemption from registration under Section 3(c)(5)(C) of the 1940 Act. Any additional guidance from the SEC or its staff from this process or in other circumstances could provide additional flexibility to us, or it could further inhibit our ability to pursue the strategies we have chosen. If we or our subsidiaries fail to maintain an exemption from the 1940 Act, we could, among other things, be required either to (1) change the manner in which we conduct our operations to avoid being required to register as an investment company, (2) effect sales of our assets in a manner that, or at a time when, we would not otherwise choose to do so or (3) register as an investment company, any of which could negatively affect our business, our ability to make distributions, our financing strategy and the market price for our shares of common stock.

We have not requested the SEC or its staff to approve our treatment of any company as a majority-owned subsidiary and neither the SEC nor its staff has done so. If the SEC or its staff were to disagree with our treatment of one or more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any such adjustment in our strategy could have a material adverse effect on us.

Rapid changes in the values of our assets may make it more difficult for us to maintain our qualification as a REIT or our exemption from the 1940 Act.

If the market value or income potential of our assets changes as a result of changes in interest rates, general market conditions, government actions or other factors, we may need to adjust the portfolio mix of our real estate assets and income or liquidate our non-qualifying assets to maintain our REIT qualification or our exemption from the 1940 Act. If changes in asset values or income occur quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of the assets we may own. We may have to make decisions that we otherwise would not make absent the REIT and 1940 Act considerations.

Because we expect to distribute substantially all of our REIT taxable income to our stockholders, we will need additional capital to finance our growth and such capital may not be available on favorable terms or at all.

We may need additional capital to fund our growth. 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 greater than 90% but less than 100% of such REIT taxable income. Because we intend to grow our business, this limitation may require us to incur additional debt or raise additional equity at a time when it may be disadvantageous to do so. We cannot make any assurance that debt and equity financing will be available to us on favorable terms, or at all, and debt financings may be restricted by the terms of any of our outstanding borrowings. If additional funds are not available to us, we could be forced to curtail or cease new asset originations and acquisitions, which could have a material adverse effect on our business and financial condition.

The preparation of our financial statements involves use of estimates, judgments and assumptions, and our financial statements may be materially affected if our estimates prove to be inaccurate.

Financial statements prepared in accordance with GAAP require the use of estimates, judgments and assumptions that affect the reported amounts. Different estimates, judgments and assumptions reasonably could be used that would have a material effect on the financial statements, and changes in these estimates, judgments and assumptions are likely to occur from period to period in the future. Significant areas of accounting requiring the application of management's judgment include, but are not limited to determining the fair value of our assets.

These estimates, judgments and assumptions are inherently uncertain, and, if they prove to be wrong, then we face the risk that charges to income will be required. Any charges could significantly harm our business, financial condition, results of operations and the price of our securities. See Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates for a discussion of the accounting estimates, judgments and assumptions that we believe are the most critical to an understanding of our business, financial condition and results of operations.

Risks Related to Borrowings

We use leverage in executing our business strategy, which may adversely affect the return on our assets and may reduce cash available for distribution to our stockholders, as well as increase losses when economic conditions are unfavorable.

We use leverage to finance our assets, including a credit facility or facilities, recourse and non-recourse debt as well as securitizations. In the future, our financing sources may also include other fixed and floating rate borrowings in the form of new bank credit facilities (including term loans and revolving facilities), warehouse facilities, repurchase agreements, securitizations and public and private debt issuances.

Changes in the financial markets and the economy generally could adversely affect one or more of our lenders or potential lenders and could cause one or more of our lenders, potential lenders or institutional investors to be unwilling or unable to provide us with financing or participate in securitizations or could increase the costs of that financing or securitization. The return on our assets and cash available for distribution to our stockholders may be reduced to the extent that market conditions prevent us from leveraging our assets or increase the cost of our financing relative to the income that can be derived from the assets acquired. Increases in our financing costs will reduce cash available for distributions to stockholders. We may not be able to meet our financing obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to liquidation or sale to satisfy the obligations.

An increase in our borrowing costs relative to the interest we receive on our leveraged assets may adversely affect our profitability and our cash available for distribution to our stockholders. Our borrowings may have a shorter duration than our assets.

As any borrowing agreements we enter into mature, we may be required either to enter into new borrowings at higher rates or to sell certain of our assets. In addition, any increases in the federal funds rate announced by the Federal Reserve Board of Governors is likely to increase shorter-term interest rates and may lower the difference between shorter-term interest rates and longer-term interest rates which would result in a continued flattening or inversion of the yield curve. Our credit facilities have rates that adjust on a frequent basis based on prevailing short-term interest rates. An increase in interest rates, or a continued flattening or inversion of the yield curve, would reduce the spread between the returns on our assets which are typically priced using longer-term interest rates and the cost of any new borrowings or borrowings where the interest rate adjusts to market rates or is based on shorter-term rates. This change in interest rates would adversely affect the returns on our assets, which might reduce our earnings and, in turn, cash available for distribution to our stockholders. In addition, as we may use short-term borrowings including repurchase agreements and warehouse facilities that 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 entering into new transactions and/or dispose of assets. We will face these risks given that a number of our borrowings have a shorter duration than the assets they finance.

We do not have a formal policy limiting the amount of debt we may incur. Our board of directors may change our leverage policy without stockholder approval.

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. We have established leverage targets which are discussed in Item 7, Management's Discussion and Analysis of Financial Conditions and Results of Operations—Liquidity and Capital Resources. However, our charter and bylaws do not limit the amount or type of indebtedness we can incur, and our board of directors has changed, and has the discretion to deviate from or change at any time in the future, our leverage policy, which could result in an investment portfolio with a different risk profile. We utilize non-recourse facilities on certain types of assets that have significantly higher leverage. On these facilities, the lenders' primary recourse is to the pledged assets and if the value of the pledged assets is below the value of the debt or if we default on a facility, the lender would be able to foreclose on all the pledged assets, which would result in losses and reduce our assets and the cash available for distributions to stockholders. Moreover, we have more limited experience dealing with certain types of debt financings for our assets and we may apply too much leverage to our assets or may employ an inefficient financing strategy to our assets.

We will require additional borrowings and equity raises in the future to achieve our targets.

To achieve our leverage target and to grow our business, we will require new sources of debt and equity which may be difficult to arrange or which may have significantly higher costs. There may be declines in the value of our equity and we may experience difficulties in raising new equity or in raising or refinancing debt. If we were to experience such declines or difficulties, we may be forced to limit our growth, liquidate assets or incur higher costs which may significantly harm our business, financial condition, results of operations, and our ability to make or grow our distributions, which could cause the value of our common stock to decline.

The use of securitizations and special purpose entities would expose us to additional risks.

We presently hold, and to the extent that we securitize loans in the future, we anticipate that we will often hold the most junior certificates or the residual value associated with a securitization. We may also establish other funds or special purpose entities, where we would hold only a partial or subordinate interest or a residual value after taking into account our non-recourse debt facilities or a right to participate in the profits of such entity once it achieves a predefined threshold. As a holder of the residual value or other such interests, we are more exposed to losses on the underlying collateral because the interest we retain in the securitization vehicle or other entity would be subordinate to the more senior notes or interests issued to investors and we would, therefore, absorb all of the losses, up to the value of our interests, sustained with respect to the underlying assets before the owners of the notes or other interests experience any losses. In addition, the inability to securitize our portfolio or assets within our portfolio could hurt our performance and our ability to grow our business.

We also use various special purpose entities to own and finance our assets. These subsidiaries incur various types of debt, which can be used to finance one or more of our assets. This debt is typically structured as non-recourse debt, which means it is repayable solely from the revenue from the investment financed by the debt and is secured by the related physical assets, major contracts, cash accounts and in some cases, a pledge of our ownership interests in the subsidiaries involved in the projects. Although this subsidiary debt is typically non-recourse to us, we make certain representations and warranties or enter into certain guaranties of our subsidiary's obligations or covenants to the non-recourse debt holder, the breach of which may require us to make payments to the lender. We may also from time to time determine to provide financial support to the subsidiary in order to maintain rights to the project or otherwise avoid the adverse consequences of a default. In the event a subsidiary defaults on its indebtedness, its creditors may foreclose on the collateral securing the indebtedness, which may result in us losing our ownership interest in some or all of the subsidiary's assets. The loss of our ownership interest in a subsidiary or some or all of a subsidiary's assets could have a material adverse effect on our business, financial condition and operating results.

Our existing credit facilities and debt contain, and any future financing facilities may contain, covenants that restrict our operations and may inhibit our ability to grow our business and increase revenues.

Our existing credit facilities and debt contain, and any future financing facilities may contain, various affirmative and negative covenants, including maintenance of an interest coverage ratio 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. In addition, the terms of our non-recourse debt include restrictions and covenants, including limitations on our ability to transfer or incur liens on the assets that secure the debt. For further information see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.

The covenants and restrictions included in our existing financings do, and the covenants and restrictions to be included in any future financings may, restrict our ability to, among other things:

- incur or guarantee additional debt;
- make certain investments, originations or acquisitions;
- make distributions on or repurchase or redeem capital stock;
- engage in mergers or consolidations;
- reduce liquidity below certain levels;
- grant liens;
- have a tangible net worth below a defined threshold;
- incur operating losses for more than a specified period; and
- enter into transactions with affiliates.

Our non-recourse debt limits our ability to take action with regard to the assets pledged as security for the debt. These restrictions, as well as any other covenants contained in any future financings, may interfere with our ability to obtain financing, or to engage in other business activities, which may significantly limit or harm our business, financial condition, liquidity and results of operations. Our financing agreements may contain cross-default provisions, so that if a default occurs under any one agreement, the lenders under our other agreements could also declare a default. A default and resulting repayment acceleration could significantly reduce our liquidity, which could require us to sell our assets to repay amounts due and outstanding. This could also significantly harm our business, financial condition, results of operations, and our ability to make distributions, which could cause the value of our common stock to decline and adversely affect our ability to qualify, or remain qualified, as a REIT. A default will also significantly limit our financing alternatives such that we will be unable to pursue our leverage strategy, which could curtail the returns on our assets.

In addition, certain of our financing arrangements contain provisions that provide for a preference in cash flow allocations to the lender from our assets or an acceleration of principal payments owed when certain conditions are present related to the underlying assets that serve as collateral for the financing. These provisions may limit our ability to obtain distributions from the underlying assets and could impact our cash flow and expected returns.

We will have to pay off the remaining balance or refinance our borrowings when they become due. The failure to be able to pay off the remaining balance or refinance such borrowings or an increase in interest rates of such refinancing could have a material impact on our business.

Some of our borrowings will have a remaining balance when they become due. If our subsidiary is unable to repay or refinance the remaining balance of this debt, or if the terms of any available refinancing are not favorable, we may be forced to liquidate assets or incur higher costs which may significantly harm our business, financial condition, results of operations, and our ability to make distributions, which could cause the value of our common stock to decline.

If a counterparty to repurchase transactions defaults on its obligation to resell the underlying security back to us at the end of the transaction term, or if the value of the underlying security has declined as of the end of that term, or if we default on obligations under the repurchase agreement, we will lose money on repurchase transactions.

In repurchase transactions, we will generally sell certain of our assets to lenders (i.e., repurchase agreement counterparties) and receive cash from the lenders. The lenders will be obligated to resell the same assets back to us at the end of the term of the transaction. Because the cash we will receive from the lender when we initially sell the assets to the lender is less than its value, if the lender defaults on its obligation to resell the same asset back to us we would incur a loss on the transaction equal to the differential in value at which the lender purchased the asset (assuming there was no other change in value). We would also lose money on a repurchase transaction if the value of the underlying asset has declined as of the end of the transaction term, as we would have to repurchase the assets for their initial value but would receive loans worth less than that amount. We may also be forced to sell assets at significantly depressed prices to meet margin calls, post additional collateral and maintain adequate liquidity, which could cause us to incur losses. Moreover, to the extent we are forced to sell assets at such time, given market conditions, we may be selling at the same time as others facing similar pressures, which could exacerbate a difficult market environment and which could result in our incurring significantly greater losses on our sale of such assets. In an extreme case of market duress, a market may not even be present for certain of our assets at any price. Such a situation would likely result in a rapid deterioration of our financial condition and possibly necessitate a filing for protection under the United States Bankruptcy Code (the "Bankruptcy Code"). Further, if we default on one of our obligations under a repurchase transaction, the lender will be able to terminate the transaction and cease entering into any other repurchase transactions with us. Our repurchase agreements may contain cross-default provisions, so that if a default occurs under any one agreement, the lenders under any other of our agreements could also declare a default. If a default occurs under any of our repurchase agreements and the lenders terminate one or more of our repurchase agreements, we may need to enter into replacement repurchase agreements with different lenders. There can be no assurance that we will be successful in entering into such replacement repurchase agreements on the same terms as the repurchase agreements that were terminated or at all. Any losses we incur on our repurchase transactions could adversely affect our earnings and thus our cash available for distribution to our stockholders. In the event of our insolvency or bankruptcy, certain repurchase agreements may qualify for special treatment under the Bankruptcy Code, the effect of which, among other things, would be to allow the lender under the applicable repurchase agreement to avoid the automatic stay provisions of the Bankruptcy Code and to foreclose on the collateral agreement without delay, which could ultimately reduce the amounts we could otherwise recover.

Uncertainty regarding the London interbank offered rate ("LIBOR") may adversely impact our borrowings and interest rate hedging.

In July 2017, the United Kingdom Financial Conduct Authority announced that it would phase out LIBOR as a benchmark by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established or other changes made such that LIBOR continues to exist after 2021. Many of our debt and interest rate hedge agreements are linked to this benchmark rate. When LIBOR ceases to exist or is otherwise modified, we may need to amend the debt and/or interest rate hedge agreements that utilize LIBOR as a factor in determining the interest rate to reflect any new standard or modification that is established. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have an adverse effect on our business, results of operations, financial condition, and stock price.

Risks Related to Hedging

We, or the projects in which we invest, enter into hedging transactions that could expose us to contingent liabilities in the future and adversely impact our financial condition.

Subject to maintaining our qualification as a REIT, part of our strategy, or the strategy of the projects in which we invest, involves entering into hedging transactions that could require us to fund cash payments in certain circumstances (e.g., the early termination of the hedging instrument caused by an event of default or other early termination event, or the decision by a counterparty to request margin it is contractually owed under the terms of the hedging instrument). The amount due would be equal to the unrealized loss of the open swap positions with the respective counterparty and could also include other fees and charges. These economic losses will be reflected in our, or the project's, financial statements, and our, or the project's, ability to fund these obligations will depend on the liquidity of our, or the project's, assets and access to capital at the time, and the need to fund these obligations could adversely impact our financial condition.

We have limited experience hedging the interest rate, credit or commodity risk of our assets and liabilities and such hedging, if any, may adversely affect our results of operations.

We have limited experience hedging the interest rate, credit or commodity risk of our assets and liabilities. However, we have entered into interest rate hedges for certain of our liabilities and as part of our strategy, we may pursue various hedging strategies to seek to reduce our exposure to adverse changes in interest rates, credit or commodity prices. Our hedging activity will vary in scope based on the level and volatility of interest rates, credit risk of our counterparties or the underlying commodity, our types of assets and liabilities and other changing market conditions. Interest rate, credit, or commodity hedging may fail to protect or could adversely affect us because, among other things:

- our hedging strategies may be poorly designed or improperly executed as a result of from our limited experience hedging the interest rate, credit or commodity risk;
- interest rate, credit or commodity hedging can be expensive, particularly during periods of rising and volatile interest rates, market conditions or commodity prices;
- available interest rate, credit or commodity hedges may not correspond directly with the interest rate, credit or commodity risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability or exposure;
- the amount of income that a REIT may earn from certain hedging transactions (other than through taxable REIT subsidiaries, or "TRSs"), to offset interest rate losses is limited by U.S. federal income tax provisions governing REITs;
- the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the hedging counterparty owing money in the hedging transaction may default on its obligation to pay; and
- our hedging transactions, which are intended to limit losses, may actually adversely affect our earnings, which could reduce our cash available for distribution to our stockholders.

In addition, over-the-counter hedges entered into to hedge interest rates, credit risk or commodity prices involve risk since they often are not traded on regulated exchanges or cleared through a central counterparty. We would remain exposed to our counterparty's ability to perform on its obligations under each hedge and cannot look to the creditworthiness of a central counterparty for performance. As a result, if a hedging counterparty cannot perform under the terms of the hedge, we would not receive payments due under that hedge, we may lose any unrealized gain associated with the hedge and the hedged liability would cease to be hedged. While we would seek to terminate the relevant hedge transaction and may have a claim against the defaulting counterparty for any losses, including unrealized gains, there is no assurance that we would be able to recover such amounts or to replace the relevant hedge on economically viable terms or at all. In such case, we could be forced to cover our unhedged liabilities at the then current market price. We may also be at risk for any collateral we have pledged to secure our obligations under the hedge if the counterparty becomes insolvent or files for bankruptcy.

Furthermore, our interest rate swaps and other hedge transactions are subject to increasing statutory and other regulatory requirements and, depending on the identity of the counterparty, applicable international requirements. Recently, new regulations have been promulgated by U.S. and foreign regulators to strengthen the oversight of swaps, and any further actions taken by such regulators could constrain our strategy or increase our costs, either of which could materially and adversely impact our results of operations.

In addition, the Dodd-Frank Act requires certain derivatives, including certain interest rate swaps, to be executed on a regulated market and cleared through a central counterparty. Unlike over-the-counter swaps, the counterparty for the cleared swaps is the clearing house, which reduces counterparty risk. However, cleared swaps require us to appoint clearing brokers and to post margin in accordance with the clearing house's rules, which has resulted in increased costs for cleared swaps compared to over-the-counter swaps. Our over-the-counter hedges with swap dealers became subject to margin regulations promulgated by U.S. regulators on March 1, 2017, which regulations increased the required margin, and the cost to us of over-the-counter swaps. The margin requirements for both cleared and uncleared swaps also limit eligible margin to cash and specified types of securities, which may further increase the costs of hedging and induce us to change or reduce the use of hedging transactions. The margin regulations generally do not apply to any over-the-counter swaps that were entered into prior to the effective date of such regulations.

In addition, the projects in which we invest, may enter into various forms of hedging including interest rate and power price hedging. To the extent they enter into such hedges, the financial results of the project will be exposed to similar risks as described above which could adversely impact our results of operations.

If we, or our projects, choose not to pursue, or fail to qualify for, hedge accounting treatment, our operating results may be impacted because losses on the derivatives that we enter into may not be offset by a change in the fair value of the related hedged transaction.

We, or our projects, may choose not to pursue, or fail to qualify for, hedge accounting treatment relating to derivative and hedging transactions. We, or our projects, may fail to qualify for hedge accounting treatment for a number of reasons, including if we, or our projects, use instruments that do not meet the Accounting Standards Codification ("ASC") Topic 815 definition of a derivative (such as short sales), we, or our projects, fail to satisfy ASC Topic 815 hedge documentation and hedge effectiveness assessment requirements or the hedge relationship is not highly effective. If we, or our projects, fail to qualify for, or choose not to pursue, hedge accounting treatment, our, or our projects, operating results may be impacted because losses on the derivatives that we, or our projects, enter into may not be offset by a change in the fair value of the related hedged transaction.

Risks Related to Our Common Stock

There can be no assurance that an active trading market for our common stock will continue, which could cause our common stock to trade at a discount and make it difficult for holders of our common stock to sell their shares.

Our common stock is listed on the New York Stock Exchange ("NYSE"). However, there can be no assurance that an active trading market for our common stock will continue, which could cause our common stock to trade at a discount. Accordingly, no assurance can be given as to the ability of our stockholders to sell their common stock or the price that our stockholders may obtain for their common stock. Some of the factors that could negatively affect the market price of our common stock include:

- our actual or projected operating results, financial condition, cash flows and liquidity or changes in business strategy or prospects;
- changes in the mix of our investment products and services, including the level of securitizations or fee income in any quarter;
- actual or perceived conflicts of interest with individuals, including our executives;
- our ability to arrange financing for projects;
- equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur;
- seasonality in construction and demand for our investments;
- actual or anticipated accounting problems;
- publication of research reports about us or the sustainable infrastructure industry;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we may incur in the future;
- commodity price changes;
- interest rate changes;
- additions to or departures of our key personnel;
- speculation or negative publicity in the press or investment community;
- our failure to meet, or the lowering of, our earnings estimates or those of any securities analysts;
- increases in market interest rates, which may lead investors to demand a higher distribution yield for our common stock, and would result in increased interest expenses on our debt;
- changes in governmental policies, regulations or laws;

- failure to qualify, or maintain our qualification, as a REIT or failure to maintain our exemption from registration as an investment company under the 1940 Act;
- price and volume fluctuations in the stock market generally; and
- general market and economic conditions, including the current state of the credit and capital markets.

Market factors unrelated to our performance could also negatively impact the market price of our common stock. One of the factors that investors may consider in deciding whether to buy or sell our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If market interest rates increase, prospective investors may demand a higher distribution rate or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and conditions in capital markets can affect the market value of our common stock.

Common stock and preferred stock eligible for future sale may have adverse effects on our share price.

Subject to applicable law, our board of directors, without stockholder approval, may authorize us to issue additional authorized and unissued shares of common stock and preferred stock on the terms and for the consideration it deems appropriate.

We cannot predict the effect, if any, of future sales of our common stock or the availability of shares for future sales, on the market price of our common stock. Sales of substantial amounts of common stock or the perception that such sales could occur may adversely affect the prevailing market price for our common stock.

We cannot assure you of our ability to make distributions in the future. If our portfolio of assets fails to generate sufficient income and cash flow, we could be required to sell assets, borrow funds, raise additional equity or make a portion of our distributions in the form of a taxable stock distribution or distribution of debt securities.

We are generally required to distribute to our stockholders at least 90% of our REIT taxable income (without regard to the deduction for dividends paid and excluding net capital gains) each year for us to qualify, and maintain our qualification, as a REIT under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Our current policy is to pay quarterly distributions, which on an annual basis will equal or exceed substantially all of our REIT taxable income. In the event that our board of directors authorizes 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.

Our ability to make distributions may be adversely affected by a number of factors. Therefore, although we anticipate making quarterly distributions to our stockholders, our board of directors has the sole discretion to determine the timing, form and amount of any distributions to our stockholders. If our portfolio of assets fails to generate sufficient income and cash flow, we could be required to sell assets, borrow funds, raise additional equity or make a portion of our distributions in the form of a taxable stock distribution or distribution of debt securities. To the extent that we are required to sell assets in adverse market conditions or borrow funds at unfavorable rates, our results of operations could be materially and adversely affected. If we raise additional equity, our stock price could be materially and adversely affected. Our board of directors will make determinations regarding distributions based upon various factors, including our earnings, our financial condition, our liquidity, our debt covenants, maintenance of our REIT qualification, applicable provisions of the MGCL and other factors as our board of directors may deem relevant from time to time. We believe that a change in any one of the following factors could adversely affect our results of operations and impair our ability to make distributions to our stockholders:

- our ability to make profitable investments;
- margin calls or other expenses that reduce our cash flow;
- defaults in our asset portfolio or decreases in the value of our portfolio;
- the cash flow we receive from our assets, including those subject to non-recourse debt; and
- the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

As a result, no assurance can be given that we will be able to make distributions to our stockholders at any time in the future or that the level of any distributions we do make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect us.

In addition, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income, subject to a deduction equal to 20% of the amount of such dividends for taxable years beginning in 2018 and ending in 2025, which generally reduces the effective U.S. federal income tax rate applicable to such dividends. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gain income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for tax purposes. A return of capital is not taxable income, but has the effect of reducing the basis of a stockholder's investment in shares of our common stock.

Future offerings of debt or equity securities, which may rank senior to our common stock, may adversely affect the market price of our common stock.

Our present debt ranks, and any future debt would rank, senior to our common stock. Such debt is, and likely will be, governed by a loan agreement, an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, our convertible securities, and any equity securities or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. We and, indirectly, our stockholders will bear the cost of issuing and servicing such debt or securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their stock holdings in us.

Risks Related to Our Organization and Structure

Our business could be harmed if key personnel terminate their employment with us.

Our success depends, to a significant extent, on the continued services of our senior management team. We have entered into employment agreements with certain members of our senior management team. Notwithstanding these agreements, there can be no assurance that any or all of these members of our senior management team will remain employed by us. We do not maintain key person life insurance on any of our officers other than two policies we maintain for Mr. Eckel under which we are a beneficiary in the amount of approximately $500 thousand. The loss of services of one or more members of our senior management team could harm our business and our prospects.

Conflicts of interest could arise as a result of our structure.

Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any partner thereof, on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with our management. Our duties, as the general partner, to our Operating Partnership and our partners may come into conflict with the duties of our directors and officers to us.

Under Delaware law, a general partner of a Delaware limited partnership owes its limited partners the duties of good faith and fair dealing. Other duties, including fiduciary duties, may be modified or eliminated in the partnership's partnership agreement, except that conflict of interest transactions may still run afoul of implied contractual standards under Delaware law. The partnership agreement of our Operating Partnership provides that, for so long as we own a controlling interest in our Operating Partnership, any conflict that cannot be resolved in a manner not adverse to either our stockholders or the limited partners will be resolved in favor of our stockholders. We have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement of our Operating Partnership that purport to waive or restrict our fiduciary duties that would be in effect under common law were it not for the partnership agreement of our Operating Partnership.

Additionally, the partnership agreement of our Operating Partnership expressly limits our liability by providing that neither we, as the general partner of the Operating Partnership, nor any of our directors or officers, will be liable or accountable in damages to our Operating Partnership, its limited partners or their assignees for errors in judgment, mistakes of fact or law or for any act or omission if the general partner, director or officer, acted in good faith. In addition, our Operating Partnership is required to indemnify us, our affiliates and each of our and their respective officers, directors, employees and agents to the fullest extent permitted by applicable law against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Operating Partnership, provided that our Operating Partnership will not

indemnify any such person for (1) willful misconduct or a knowing violation of the law, (2) any transaction for which such person received an improper personal benefit in violation or breach of any provision of the partnership agreement of our Operating Partnership, or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful.

Certain provisions of Maryland law could inhibit changes in control.

Certain provisions of the MGCL may have the effect of deterring a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-prevailing market price of our common stock. We are subject to the "business combination" provisions of the MGCL that, subject to limitations, prohibit certain business combinations (including a merger, consolidation, statutory share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities) between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of our then outstanding voting stock or an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of our then outstanding voting stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder. After the five-year prohibition, any business combination between us and an interested stockholder generally must be recommended by our board of directors and approved by the affirmative vote of at least (1) 80% of the votes entitled to be cast by holders of outstanding shares of our voting stock and (2) two thirds of the votes entitled to be cast by holders of our voting stock other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder. These super-majority vote requirements do not apply if, among other conditions, our common stockholders receive a minimum price, as defined under the MGCL, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares. These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a board of directors prior to the time that the interested stockholder becomes an interested stockholder. Our board of directors has by resolution exempted business combinations between us and (1) any other person, provided, that such business combination is first approved by our board of directors (including a majority of our directors who are not affiliates or associates of such person), (2) the Predecessor and its affiliates and associates as part of our formation transactions and (3) persons acting in concert with any of the foregoing. As a result, any person described in the preceding sentence may be able to enter into business combinations with us that may not be in the best interests of our stockholders, without compliance by our company with the supermajority vote requirements and other provisions of the statute. There can be no assurance that our board of directors will not amend or revoke the exemption at any time.

The "control share" provisions of the MGCL provide that, subject to certain exemptions, a holder of "control shares" of a Maryland corporation (defined as shares which, when aggregated with all other shares controlled by the stockholder (except solely by virtue of a revocable proxy), entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") has no voting rights with respect to such shares except to the extent approved by our stockholders by the affirmative vote of at least two thirds of all the votes entitled to be cast on the matter, excluding votes entitled to be cast by the acquirer of control shares, our officers and our directors who are also our employees. Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of our stock. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

The "unsolicited takeover" provisions of Title 3, Subtitle 8 of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain takeover defenses, some of which (for example, a classified board) we do not yet have. Our charter contains a provision whereby we have elected to be subject to the provisions of Title 3, Subtitle 8 of the MGCL, pursuant to which our board of directors has the exclusive power to fill vacancies on our board of directors. These provisions may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a change in control of us under the circumstances that otherwise could provide the holders of shares of common stock with the opportunity to realize a premium over the then current market price.

Our authorized but unissued shares of common and preferred stock may prevent a change in our control.

Our charter permits our board of directors to authorize us to issue additional shares of our authorized but unissued common or preferred stock. In addition, our board of directors may, without common stockholder approval, amend our charter to increase the aggregate number of our shares of stock or the number of shares of stock of any class or series that we have the authority to issue and classify or reclassify any unissued shares of common or preferred stock and set the terms of the classified

or reclassified shares. As a result, our board of directors may establish a series of common or preferred stock that could delay or prevent a transaction or a change in control that might involve a premium price for shares of our common stock or otherwise be in the best interest of our stockholders.

Our rights and the rights of our stockholders to take action against our directors and officers are limited, which could limit stockholder recourse in the event of actions not in our stockholders' best interests.

Our charter eliminates the liability of our present and former directors and officers to us and our stockholders for money damages to the maximum extent permitted under Maryland law. Under Maryland law, our present and former directors and officers will not have any liability to us or our stockholders for money damages other than liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment and was material to the cause of action adjudicated.

Our charter authorizes us to indemnify our directors and officers for actions taken by them in those and other capacities to the maximum extent permitted by Maryland law. Our bylaws require us to indemnify each present and former director or officer, and each person who served any predecessor of our company in a similar capacity, to the maximum extent permitted by Maryland law, in connection with the defense of any proceeding to which he or she is made, or threatened to be made, a party or a witness by reason of his or her service to us or any predecessor. In addition, we may be obligated to pay or reimburse the expenses incurred by such persons in connection with any such proceedings without requiring a preliminary determination of their ultimate entitlement to indemnification.

Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management.

Our charter provides that, subject to the rights of holders of any series of preferred stock, a director may be removed with or without cause upon the affirmative vote of holders of at least two thirds of the votes entitled to be cast generally in the election of directors. Vacancies may be filled only by a majority of the remaining directors in office, even if less than a quorum. These requirements make it more difficult to change our management by removing and replacing directors and may prevent a change in control of our company that is in the best interests of our stockholders.

Ownership limitations may restrict change of control or business combination opportunities in which our stockholders might receive a premium for their shares.

In order for us to qualify as a REIT for each taxable year after 2013, no more than 50% in value of our outstanding capital stock may be owned, directly or constructively, by five or fewer individuals during the last half of any calendar year, and at least 100 persons must beneficially own our stock during at least 335 days of a taxable year of 12 months, or during a proportionate portion of a shorter taxable year. "Individuals" for this purpose include natural persons, private foundations, some employee benefit plans and trusts, and some charitable trusts. To assist us in preserving our REIT qualification, among other purposes, our charter generally prohibits any person from directly or indirectly owning more than 9.8% in value or in number of shares, whichever is more restrictive, of the aggregate outstanding shares of our capital stock, the outstanding shares of any class or series of our preferred stock or the outstanding shares of our common stock. These ownership limits could have the effect of discouraging a takeover or other transaction in which holders of our common stock might receive a premium for their shares over the then prevailing market price or which holders might believe to be otherwise in their best interests. Our board of directors has established exemptions from these ownership limits that permit certain institutional investors and their clients to hold shares of our common stock in excess of these ownership limits.

We are subject to financial reporting and other requirements for our accounting, internal audit and other management systems and resources and the failure to comply with such requirements may adversely effect our business, operating results and stock price.

We are subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). Section 404 requires annual management assessments of the effectiveness of our internal controls over financial reporting and, our independent registered public accounting firm to express an opinion on the effectiveness of our internal controls over financial reporting. These reporting and other obligations place significant demands on our management, administrative, operational, internal audit and accounting resources and may cause us

to incur significant expenses. We have upgraded, and may need to continue to upgrade, our systems or create new systems; implement additional financial and management controls, reporting systems and procedures; expand or outsource our internal audit function; and hire additional accounting, internal audit and finance staff. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with the financial reporting requirements and other rules that apply to reporting companies could be impaired. We believe that we currently have in place accounting, internal audit and other management systems and resources that will allow us to maintain compliance with the requirements of the Sarbanes-Oxley Act. Any failure to maintain effective internal controls could have a material adverse effect on our business, operating results and stock price.

Risks Related to Our Taxation as a REIT

Qualifying as a REIT involves highly technical and complex provisions of the Internal Revenue Code, and our failure to qualify or remain qualified as a REIT would subject us to U.S. federal income tax and applicable state and local tax, which would negatively impact the results of our operations and reduce the amount of cash available for distribution to our stockholders.

We elected and qualified as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2013. The U.S. federal income tax laws governing REITs are complex, and judicial and administrative interpretations of the U.S. federal income tax laws governing REIT qualification are limited. To qualify as a REIT and remain so qualified, we must meet, on an ongoing basis through actual operating results, various tests regarding the nature and diversification of our assets and our income, the ownership of our outstanding shares, and the amount of our distributions. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals.

We received a private letter ruling from the Internal Revenue Service ("IRS"), which we refer to as the Ruling, relating to our ability to treat certain of our assets as qualifying REIT assets. We are entitled to rely on this Ruling for those assets which fit within the scope of the Ruling only to the extent that we have the legal and contractual rights described therein, we continue to operate in accordance with the relevant facts described in the ruling request we submitted, that such facts were accurately presented and to the extent such ruling is not inconsistent with the Real Property Regulations (as discussed in more detail below). As a result, no assurance can be given that we will always be able to rely on this Ruling.

In August of 2016, the Treasury Department and the IRS published regulations which we refer to as the Real Property Regulations relating to the definition of "real property" for purposes of the REIT income and asset tests which apply to us with respect to our taxable years beginning after December 31, 2016. Among other things, the Real Property Regulations provide that an obligation secured by a structural component of a building or other inherently permanent structure qualifies as a real estate asset for REIT qualification purposes only if such obligation is also secured by a real property interest in the inherently permanent structure served by such structural component. This aspect of the Real Property Regulations has important implications for our qualification as a REIT since a significant portion of our REIT qualifying assets consists of receivables that are secured by liens on installed structural improvements designed to improve the energy efficiency of buildings and a significant portion of our REIT qualifying gross income is interest income earned with respect to such receivables.

The structural improvements securing our receivables generally qualify as "fixtures" under local real property law, as well as under the Uniform Commercial Code, or the UCC, which governs rights and obligations of parties in secured transactions. Although not controlling for REIT purposes, the general rule in the United States is that once improvements are permanently installed in real properties, such improvements become fixtures and thus take on the character of and are considered to be real property for certain state and local law purposes. In general, in the United States, laws governing fixtures, including the UCC and real property law, afford lenders who have secured their financings with security interests in fixtures with rights that extend not just to the fixtures that secure their financings, but also to the real properties in which such fixtures have been installed. By way of example only, Section 9-604(b) of the UCC, which has been adopted in all but two states in the United States, permits a lender secured by fixtures, upon a default, to enforce its rights under the UCC or under applicable real property laws. Although there is limited authority directly on point, given the nature of, and the extent to which, the structural improvements securing our receivables are integrated into and serve the related buildings, we believe that the better view is that the nature and scope of our rights in such buildings that inure to us as a result of our receivables are sufficient to satisfy the requirements of the Real Property Regulations described above. In addition to the limited authority directly on point, two other important caveats apply in this regard. First, the Real Property Regulations do not define what is required for an obligation secured by a lien on a structural component to also be secured by a real property interest in the building served by such structural component. However, the initial proposed version of the Real Property Regulations, which never became effective,

included a requirement that the interest in the real property held by a REIT be "equivalent" to the interest in a structural component held by the REIT in order for the structural component to be treated as a real estate asset. This requirement was ultimately not included in the final Real Property Regulations, in part in response to comments that such requirement may negatively affect investment in energy efficient and renewable energy assets. We believe the deletion of this requirement implies that under the final Real Property Regulations, our rights in the building need not be equivalent to our rights in the structural components serving the building. Second, real property law is typically relegated to the states and the specific rights available to any lien or mortgage holder, including our rights as a fixture lien holder described above, may vary between jurisdictions as a result of a range of factors, including the specific local real property law requirements and judicial and regulatory interpretations of such laws, and the competing rights of mortgage and other lenders. While a number of cases have addressed the rights of fixture lien holders generally, there are limited judicial interpretations in only a few jurisdictions that directly address the rights and remedies available to a fixture lien holder in the real property in which the fixtures have been installed. Such rights have been addressed in some cases which support our position and, in factual circumstances distinguishable from our own, in some cases where the courts have found these rights to be more limited. The resolution of these issues in many jurisdictions therefore remains uncertain. As a result of the foregoing, no assurance can be given that the IRS will not challenge our position that our receivables meet the requirements of the Real Property Regulations or that, if challenged, such position would be sustained.

The preamble to the Real Property Regulations provides that, to the extent a private letter ruling issued prior to the issuance of the Real Property Regulations is inconsistent with the Real Property Regulations, the private letter ruling is revoked prospectively from the applicability date of the Real Property Regulations. We do not believe that the Ruling is inconsistent with the Real Property Regulations because we believe the analysis in the Ruling was based on similar principles as the relevant portions of the Real Property Regulations, and accordingly we do not believe that the Real Property Regulations impact our ability to rely on the Ruling. However, no assurance can be given that the IRS would not successfully assert that we are not permitted to rely on the Ruling because the Ruling has been revoked by the Real Property Regulations.

If the IRS were to assert that a significant portion of our receivables do not qualify as real estate assets and do not generate income treated as interest income from mortgages on real property, we would fail to satisfy both the gross income requirements and asset requirements applicable to REITs. If this were to occur, we would be required to restructure the manner in which we receive such income and we may realize significant income that does not qualify for the REIT 75% gross income test, which could cause us to fail to qualify as a REIT.

In addition, our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis in accordance with existing REIT regulations and rules and interpretations thereof. Moreover, the IRS, new legislation, court decisions or other administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for us to qualify as a REIT. Our ability to satisfy the requirements to qualify as a REIT also depends in part on the actions of third parties over which we have no control or only limited influence, including in cases where we own an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes. Thus, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given that we will so qualify for any particular year.

If we fail to qualify as a REIT in any taxable year, and we do not qualify for certain statutory relief provisions, we would be required to pay U.S. federal income tax on our net taxable income, and distributions to our stockholders would not be deductible by us in determining our taxable income. In such a case, we might need to borrow money or sell assets in order to pay our taxes. Our payment of income tax would negatively impact the results of our operations and decrease the amount of our income available for distribution to our stockholders. Furthermore, if we fail to maintain our qualification as a REIT, we no longer would be required to distribute substantially all of our taxable income to our stockholders, which would leave our board of directors with more discretion over our future distribution levels. In addition, unless we were eligible for certain statutory relief provisions, we could not re-elect to qualify as a REIT for the subsequent four taxable years following the year in which we failed to qualify.

Complying with REIT requirements may force us to liquidate or forego otherwise attractive investments.

To qualify as a REIT, we must ensure that we meet the REIT gross income tests annually and that, at the end of each calendar quarter, at least 75% of the value of our total assets consists of cash, cash items, government securities, shares in REITs and other qualifying real estate assets. The remainder of our investment in securities (other than government securities and REIT qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than

5% of the value of our total assets (other than government securities, securities of a TRS and securities that are qualifying real estate assets) can consist of the securities of any one issuer, no more than 20% of the value of our total assets can be represented by securities of one or more TRSs, and no more than 25% of the value of our assets can consist of debt instruments issued by publicly offered REITs that are not otherwise secured by real property. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate from our portfolio, or contribute to a TRS, otherwise attractive investments, and may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source of income or asset diversification requirements for qualifying as a REIT. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

REIT distribution requirements could adversely affect our ability to execute our business plan and may require us to incur debt or sell assets to make such distributions.

In order to qualify as a REIT, we must distribute to our stockholders, each calendar year, at least 90% of our REIT taxable income (including certain items of non-cash income), determined without regard to the deduction for dividends paid and excluding net capital gain. To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed income. In addition, we will incur a 4% non-deductible excise tax on the amount, if any, by which our distributions in any calendar year are less than a minimum amount specified under U.S. federal income tax laws. We intend to distribute our taxable income to our stockholders in a manner intended to satisfy the REIT 90% distribution requirement and to avoid the 4% non-deductible excise tax.

In addition, differences in timing between the recognition of taxable income, our GAAP income and the actual receipt of cash may occur. For example, we may be required to accrue interest and discount income on debt securities or interests in debt securities before we receive any payments of interest or principal on such assets, and there may be timing differences in the accrual of such interest and discount income for tax purposes and for GAAP purposes.

As a result of the foregoing, we may generate less cash flow than taxable income in a particular year and find it difficult or impossible to meet the REIT distribution requirements in certain circumstances. In such circumstances, we may be required to: (i) sell assets in adverse market conditions, (ii) raise debt or equity on unfavorable terms, (iii) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt, (iv) make a taxable distribution of our shares as part of a distribution in which stockholders may elect to receive shares or (subject to a limit measured as a percentage of the total distribution) cash or (v) use cash reserves, in order to comply with the REIT distribution requirements and to avoid U.S. federal corporate income tax and the 4% non-deductible excise tax. Thus, compliance with the REIT distribution requirements may hinder our ability to grow, which could adversely affect the value of our common stock.

Even though we qualify as a REIT, we may face tax liabilities that reduce our cash flow.

Even though we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, franchise, property and transfer taxes, including mortgage recording taxes. In addition, any TRSs we own will be subject to U.S. federal, state and local corporate income or franchise taxes. In order to meet the REIT qualification requirements, or to avoid the imposition of a 100% tax that applies to certain gains derived by a REIT from sales of inventory or property held primarily for sale to customers in the ordinary course of business, we may hold some of our assets through TRSs. Any taxes paid by such TRSs would decrease the cash available for distribution to our stockholders.

The failure of assets subject to a repurchase agreement to be considered owned by us or a mezzanine loan to qualify as a real estate asset may adversely affect our ability to qualify as a REIT.

We may enter into repurchase agreements under which we will nominally sell certain of our assets to a counterparty and simultaneously enter into an agreement to repurchase the sold assets. We believe that we will be treated for U.S. federal income tax purposes as the owner of the assets that are the subject of any such agreements and that the repurchase agreements will be treated as secured lending transactions notwithstanding that such agreements may transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that we did not own the assets during the term of the repurchase agreement, in which case we could fail to qualify as a REIT.

In addition, we may acquire mezzanine loans, which are loans secured by equity interests in a partnership or limited liability company that directly or indirectly owns real property. In IRS Revenue Procedure 2003-65, the IRS provided a safe harbor pursuant to which a mezzanine loan, if it meets each of the requirements contained in the Revenue Procedure, will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% gross income test. Although IRS Revenue Procedure 2003-65 provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. We may acquire mezzanine loans that may not meet all of the requirements for reliance on this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan's treatment as a real estate asset for purposes of the REIT asset and income tests, and if such a challenge were sustained, we could fail to qualify as a REIT.

We may be required to report taxable income for certain investments in excess of the economic income we ultimately realize from them.

To the extent we acquire debt investments in the secondary market for less than their face amount, the amount of such discount will generally be treated as "market discount" for U.S. federal income tax purposes. Market discount is generally accrued on the basis of a constant yield to maturity of a debt investment. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made, unless we elect to include accrued market discount in income as it accrues. Principal payments on certain loans are made monthly, and consequently accrued market discount may have to be included in income each month as if the debt investment was assured of ultimately being collected in full. If we collect less on the debt investment than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

Similarly, some of the debt investments that we acquire may have been issued with an original issue discount. We will generally be required to report such original issue discount based on a constant yield method and will be taxed based on the assumption that all future projected payments due on such debt investments will be made. If such debt investments turn out not to be fully collectible, an offsetting loss deduction will become available only in the later year that uncollectability is provable. In addition, in the event that any debt investments acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt investment are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income as it accrues, despite doubt as to its ultimate collectability. While we would in general ultimately have an offsetting loss deduction available to us when such interest was determined to be uncollectible, the utility of that deduction could depend on our having taxable income in that later year or thereafter. Although we do not presently intend to, we may, in the future, acquire debt investments that are subsequently modified by agreement with the borrower. If such amendments are "significant modifications" under the applicable Treasury Regulations, we may be required to recognize taxable income as a result of such amendments. Finally, we may be required under the terms of indebtedness that we incur with private lenders to use cash received from interest payments to make principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to our stockholders.

The recently effective Public law no. 115-97, commonly referred to as the Tax Cuts and Jobs Act of 2017 ("TCJA") implements various changes to the U.S. federal income tax laws that impacts the taxation of us and our shareholders. Among these changes, the TCJA generally accelerates our accrual for U.S. federal income tax purposes of certain items of income to the extent that we would otherwise recognize such items of income for U.S. federal income tax purposes later than we would report such items on our financial statements. This provision of the TCJA could increase our taxable income in certain taxable years, which could impact our ability to satisfy the REIT distribution requirements. In addition, this provision of the TCJA may override many of the U.S. federal income tax rules relating to the timing of income inclusions, including such rules that are discussed elsewhere herein.

The interest apportionment rules under Treasury Regulation Section 1.856-5(c) provide that, if a loan is secured by both real property and other property, a REIT is required to apportion its annual interest income to the real property securing the loan based on a fraction, the numerator of which is the value of such real property, determined when the REIT commits to acquire the loan, and the denominator of which is the highest "principal amount" of the loan during the year. If a mortgage loan is secured by both real property and personal property and the value of the personal property does not exceed 15% of the aggregate value of the property securing the mortgage loan, the mortgage loan is treated as secured solely by real property for this purpose. IRS Revenue Procedure 2014-51 interprets the "principal amount" of the loan to be the face amount of the loan, despite the Internal Revenue Code requiring taxpayers to treat any market discount, that is the difference between the purchase price of the loan and its face amount, for all purposes (other than certain withholding and information reporting purposes) as interest rather than principal. The interest apportionment regulations apply only if the loan in question is secured by both real

property and other property and the value of personal property securing the mortgage exceeds 15% of the aggregate value of the property securing the mortgage.

If the IRS were to assert successfully that our loans were secured by property other than real estate, the interest apportionment rules applied for purposes of our REIT testing, and that the position taken in IRS Revenue Procedure 2014-51 should be applied to certain loans in our portfolio, then depending upon the value of the real property securing our loans and their face amount, and the sources of our gross income generally, we may fail to meet the 75% REIT gross income test. If we do not meet this test, we could potentially lose our REIT qualification or be required to pay a penalty to the IRS.

The "taxable mortgage pool" rules may increase the taxes that we or our stockholders may incur, and may limit the manner in which we effect future securitizations.

Securitizations by us or our subsidiaries could result in the creation of taxable mortgage pools for U.S. federal income tax purposes. As a result, we could have "excess inclusion income." Certain categories of stockholders, such as non-U.S. stockholders eligible for treaty or other benefits, U.S. stockholders with net operating losses, and certain U.S. tax-exempt stockholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to any such excess inclusion income. In the case of a stockholder that is a REIT, a regulated investment company (a "RIC"), common trust fund or other pass-through entity, our allocable share of our excess inclusion income could be considered excess inclusion income of such entity. In addition, to the extent that our common stock is owned by U.S. tax-exempt "disqualified organizations," such as certain government-related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we may incur a corporate level tax on a portion of any excess inclusion income. Because this tax generally would be imposed on us, all of our stockholders, including stockholders that are not disqualified organizations, generally will bear a portion of the tax cost associated with the classification of us or a portion of our assets as a taxable mortgage pool. A RIC, or other pass-through entity owning our common stock in record name will be subject to tax at the highest U.S. federal corporate income tax rate on any excess inclusion income allocated to their owners that are disqualified organizations. Moreover, we could face limitations in selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for tax purposes. Finally, if we were to fail to qualify as a REIT, any taxable mortgage pool securitizations would be treated as separate taxable corporations for U.S. federal income tax purposes that could not be included in any consolidated U.S. federal corporate income tax return. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

Although our use of TRSs may be able to partially mitigate the impact of meeting the requirements necessary to maintain our qualification as a REIT, our ownership of and relationship with our TRSs is limited and a failure to comply with the limits would jeopardize our REIT qualification and may result in the application of a 100% excise tax.

A REIT may own up to 100% of the stock of one or more TRSs. Subject to certain exemptions, a TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20% of the value of a REIT's total assets may consist of stock or securities of one or more TRSs. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. Our TRSs will pay U.S. federal, state and local income or franchise tax on their taxable income, and their after-tax net income will be available for distribution to us but will not be required to be distributed to us, unless necessary to maintain our REIT qualification. While we will be monitoring the aggregate value of the securities of our TRSs and intend to conduct our affairs so that such securities will represent less than 20% of the value of our total assets, there can be no assurance that we will be able to comply with the TRS limitation in all market conditions.

Dividends payable by REITs generally do not qualify for the reduced tax rates on dividend income from regular corporations, which could adversely affect the value of our shares.

The maximum U.S. federal income tax rate for certain qualified dividends payable to U.S. stockholders that are individuals, trusts and estates is 20%. Dividends payable by REITs are generally not eligible for the reduced rates and therefore may be subject to a 37% maximum U.S. federal income tax rate (for taxable years beginning in 2018 through taxable years ending in 2025) on ordinary income. Beginning in 2018 (and through taxable years ending in 2025), the TCJA permits a deduction for certain pass-through business income, including "qualified REIT dividends" (generally, dividends received by a

REIT shareholder that are not designated as capital gain dividends or qualified dividend income), which allows U.S. individuals, trusts, and estates to deduct up to 20% of such amounts, subject to certain limitations, resulting in an effective maximum U.S. federal income tax rate of 29.6% on such qualified REIT dividends. Although the reduced U.S. federal income tax rate applicable to dividend income from regular corporate dividends does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to regular corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including shares of our common stock.

The tax on prohibited transactions limits our ability to engage in certain types of transactions, including certain methods of securitizing loans, which would be treated as sales for U.S. federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, but including loans, held as inventory or primarily for sale to customers in the ordinary course of business. We might be subject to this tax if we were to sell or securitize loans in a manner that was treated as a sale of the loans as inventory for U.S. federal income tax purposes. Therefore, in order to avoid the prohibited transactions tax, we may choose not to engage in certain sales of loans, other than through a TRS, and we may be required to limit the structures we use for our securitization transactions, even though such sales or structures might otherwise be beneficial for us.

Complying with REIT requirements may limit our ability to hedge effectively.

The REIT provisions of the Internal Revenue Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from transactions intended to hedge our interest rate exposure will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if (i) the instrument (A) hedges interest rate risk on liabilities used to carry or acquire real estate assets or certain other specified types of risk, or (B) hedges an instrument described in clause (A) for a period following the extinguishment of the liability or the disposition of the asset that was previously hedged by the hedged instrument, and (ii) such instrument is properly identified under applicable Treasury Regulations. Income from hedging transactions that do not meet these requirements will generally constitute non-qualifying income for purposes of both the REIT 75% and 95% gross income tests. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or the limits on our use of hedging techniques could expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit to us, although subject to limitation, such losses may be carried forward to offset future taxable income of the TRS.

Legislative, regulatory or administrative changes could adversely affect us.

The U.S. federal income tax laws and regulations governing REITs and their stockholders, as well as the administrative interpretations of those laws and regulations, are constantly under review and may be changed at any time, possibly with retroactive effect. No assurance can be given as to whether, when, or in what form, the U.S. federal income tax laws applicable to us and our stockholders may be enacted. Changes to the U.S. federal income tax laws and interpretations of U.S. federal tax laws could adversely affect an investment in our common stock.

The TCJA, which was signed into law on December 22, 2017, significantly changes U.S. federal income tax laws applicable to businesses and their owners, including REITs and their stockholders, and may lessen the relative competitive advantage of operating as a REIT rather than as a C corporation. For additional discussion, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, "U.S. Federal Income Tax Legislation."

Liquidation of our assets may jeopardize our REIT qualification.

To qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our assets to repay obligations to our lenders, we may be unable to comply with these requirements, thereby jeopardizing our qualification as a REIT, or we may be subject to a 100% tax on any resultant gain if we sell assets that are treated as inventory or property held primarily for sale to customers in the ordinary course of business.

Your investment has various U.S. federal income tax risks.

We urge you to consult your tax advisor concerning the effects of U.S. federal, state, local and foreign tax laws to you with regard to an investment in shares of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located at 1906 Towne Centre Blvd, Suite 370, Annapolis, Maryland 21401. Our telephone number is (410) 571-9860.

Item 3. Legal Proceedings

From time to time, we may be involved in various claims and legal actions in the ordinary course of business. As oDecember 31, 2018, 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.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on the NYSE under the symbol “HASI.”

Holders

As of February 19, 2019, we had 146 registered holders of our common stock. The146 holders of record do not include the beneficial owners of our common stock whose shares are held by a broker or bank. Such information was obtained from The Depository Trust Company.

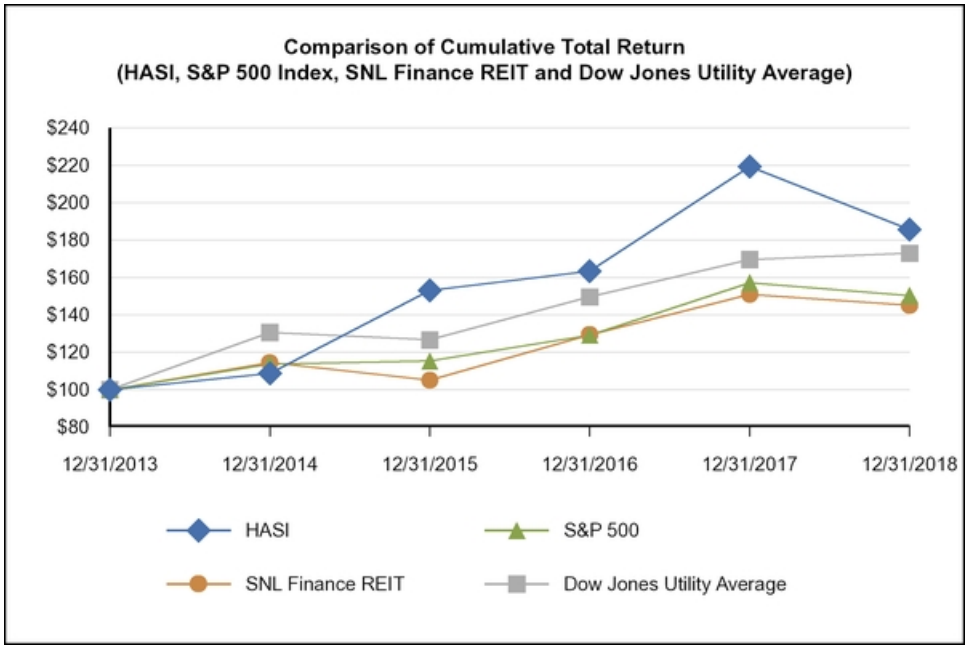
Dividends

We intend to make regular quarterly distributions to holders of our common stock. Any distributions we make will be at the discretion of our board of directors and will depend upon, among other things, our actual results of operations. These results and our ability to pay distributions will be affected by various factors, including the net interest and other income from our portfolio, our operating expenses and any other expenditures. See Item 1A. Risk Factors, and Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, of this Form 10-K, for information regarding the sources of funds used for dividends and for a discussion of factors, if any, which may adversely affect our ability to pay dividends. See Note 11 of the audited financial statements in this Form 10-K for details of our dividends declared in 2018 and 2017.

Stockholder Return Performance

The stock performance graph and table below shall not be deemed, under the Securities Act or the Exchange Act, to be (i) “soliciting material” or “filed” or (ii) incorporated by reference by any general statement into any filing made by us with the SEC, except to the extent that we specifically incorporate such stock performance graph and table by reference.

The following graph is a comparison of the cumulative total stockholder return on our shares of common stock, the Standard & Poor’s 500 Index (the “S&P 500 Index”), the SNL Finance REIT Index, and the Dow Jones Utility Average which are peer group indexes from December 31, 2013 to December 31, 2018. The graph assumes that $100 was invested at closing on December 31, 2013, in our shares of common stock, the S&P 500 Index, and the peer group indexes and that all dividends were reinvested without the payment of any commissions. There can be no assurance that the performance of our common stock will continue in line with the same or similar trends depicted in the graph below.



Company or Index	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	$ 100.00	$ 108.76	$ 153.14	$ 163.32	$ 219.37	$ 185.64
S&P 500 Index	100.00	113.69	115.26	129.05	157.22	150.33
SNL Finance REIT Index [1]	100.00	114.52	105.02	129.36	150.94	145.09
Dow Jones Utility Average	100.00	130.65	126.65	149.67	169.65	173.02

Source: S&P Global Market Intelligence, a division of S&P Global

(1) As of December 31, 2018, the SNL Finance REIT Index comprised of the following companies: AG Mortgage Investment Trust, Inc.; AGNC Corp.; American Church Mortgage Company; Annaly Capital Management, Inc.; Anworth Mortgage Asset Corporation; Apollo Commercial Real Estate Finance, Inc.; Arbor Realty Trust, Inc.; Ares Commercial Real Estate Corporation; ARMOUR Residential REIT, Inc.; Blackstone Mortgage Trust, Inc.; Capstead Mortgage Corporation; Cherry Hill Mortgage Investment Corporation; Chimera Investment Corporation; Colony Credit Real Estate, Inc.; CV Holdings, Inc.; Dynex Capital, Inc.; Ellington Residential Mortgage REIT; Exantas Capital Corp.; Granite Point Mortgage Trust, Inc.; Great Ajax Corp.; Hannon Armstrong Sustainable Infrastructure Capital, Inc.; Hunt Companies Finance Trust; Invesco Mortgage Capital Inc.; JER Investors Trust Inc.; Jernigan Capital Inc.; KKR Real Estate Finance Trust, Inc.; Ladder Capital Corp.; MFA Financial, Inc.; New Residential Investment Corp.; New York Mortgage Trust, Inc.; Orchid Island Capital, Inc.; Owens Realty Mortgage, Inc.; PennyMac Mortgage Investment Trust; RAIT Financial Trust; Ready Capital Corp.; Redwood Trust, Inc.; Sachem Capital Corp.; Starwood Property Trust, Inc.; TPG RE Finance Trust, Inc.; Two Harbors Investment Corp.; United Development Funding IV; and Western Asset Mortgage Capital Corporation.

Securities Authorized For Issuance Under Equity Compensation Plans

In 2013, we adopted the 2013 Hannon Armstrong Sustainable Infrastructure Capital, Inc. Equity Incentive Plan (the "2013 Plan") to provide equity based incentive compensation to members of our senior management team, our independent directors, advisers, consultants and other personnel. The 2013 Plan authorizes our compensation committee to grant stock options, shares of restricted common stock, restricted stock units, phantom shares, dividend equivalent rights, long-term incentive plan ("LTIP") units and other restricted limited partnership units issued by our Operating Partnership and other equity-based awards up to an aggregate of 7.5% of the shares of common stock issued and outstanding from time to time on a fully diluted basis (assuming, if applicable, the exercise of all outstanding options and the conversion of all warrants and convertible securities, including OP units and long-term incentive-plan units ("LTIP units"), into shares of common stock).

As of December 31, 2018, we have approximately 2.2 million shares of our restricted common stock and restricted common stock units outstanding (assuming that the restricted stock units vest at 200%), which are subject to vesting and, in some cases, performance requirements, to our directors, officers and other employees.

The following table presents certain information about our equity compensation plan as of December 31, 2018:

Award	Number of securities remaining available for future issuance under equity compensation plans [1]
Equity compensation plans approved by stockholders	1,829,609
Equity compensation plans not approved by stockholders	—
Total	**1,829,609**

(1) The 2013 Plan provides for grants of equity awards up to, in the aggregate, the equivalent of 7.5% of the issued and outstanding shares of our common stock from time to time (on a fully diluted basis (assuming, if applicable, the exercise of all outstanding options and the conversion of all warrants and convertible securities into shares of common stock and assuming restricted stock units vest at 200%)) at the time of the award. As of December 31, 2018, we did not have outstanding under our equity compensation plan, any options, warrants or rights to purchase shares of our common stock.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the year ended December 31, 2018, certain of our employees surrendered common stock owned by them to satisfy their tax and other compensation related withholdings associated with the vesting of restricted stock and restricted stock units. 7,406 OP units were exchanged for shares of common stock during the year ended December 31, 2018. The price paid per share is based on the price of our common stock as of the date of the exchange and withholding. The table below summarizes all of our repurchases of common stock during 2018.

Period	Total number of shares purchased	Average price 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
February 2018	2,879	$ 20.54	N/A	N/A
March 2018	97,206	18.13	N/A	N/A
May 2018	63,822	19.08	N/A	N/A
August 2018	453	20.52	N/A	N/A
November 2018	196	23.40	N/A	N/A

Item 6. Selected Financial Data

The following table sets forth selected financial and operating data on a historical basis for the Company for the last five calendar years. The following financial information should be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and related notes thereto. Certain amounts in the prior years have been reclassified to conform to the current year presentation.

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(dollars in millions, except share and per share data)				
Total revenue	$ 138	$ 106	$ 81	$ 59	$ 45
Total expenses	116	96	72	51	35
Income (loss) from equity method investments	22	22	6	—	—
Income tax (expense) benefit	(2)	(1)	—	—	—
Net income (loss)	$ 42	$ 31	$ 15	$ 8	$ 10
Net income (loss) attributable to controlling stockholders	$ 42	$ 31	$ 15	$ 8	$ 10
Balance sheet data (at period end):					
Equity method investments	$ 471	$ 523	$ 363	$ 319	$ 144
Government receivables	497	519	526	401	284
Commercial receivables	447	473	516	383	269
Receivables held-for-sale	—	19	—	60	62
Real estate [1]	365	341	172	156	114
Investments	170	151	58	29	27
Total assets	2,155	2,250	1,746	1,470	1,009
Credit facilities	259	70	283	247	316
Non-recourse debt	835	1,211	692	664	319
Convertible notes	148	148	—	—	—
Total liabilities	1,350	1,607	1,172	1,038	735
Total equity	805	643	574	432	274
Per share data:					
Basic and diluted earnings per share	$ 0.75	$ 0.57	$ 0.32	$ 0.21	$ 0.43
Dividends declared	$ 1.32	$ 1.32	$ 1.23	$ 1.08	$ 0.92
Weighted average shares outstanding—basic and diluted	52,780,449	50,361,672	40,290,717	30,761,151	20,656,826
Managed assets [2]	$ 5,284	$ 4,736	$ 3,933	$ 3,188	$ 2,609

(1) Includes real estate intangible assets.

(2) See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures—Managed Assets for information on managed assets.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our financial statements and accompanying notes included in Item 8. Financial Statements and Supplementary Data, of this Form 10-K.

Overview

We focus on solutions that reduce carbon emissions and increase resilience to climate change by providing capital and specialized expertise to the leading companies in the energy efficiency, renewable energy and other sustainable infrastructure markets. Our goal is to generate attractive returns for our shareholders by investing in a diversified portfolio of assets and projects that generate long-term, recurring and predictable cash flows or cost savings from proven commercial technologies.

We believe we were one of the first U.S. public companies exclusively focused on financing solutions to climate change. Our investments, which typically benefit from contractually committed high credit quality obligors, have taken a number of forms including equity, joint ventures, land ownership, lending or other financing transactions. We also generate ongoing fees through gain-on-sale securitization transactions, services and asset management.

We are internally managed, and our management team has extensive relevant industry knowledge and experience, dating back more than 30 years. We have long-standing relationships with the leading energy service companies ("ESCOs"), manufacturers, project developers, utilities, owners and operators. Our origination strategy is to use these relationships to generate recurring, programmatic investment and fee generating opportunities. Additionally, we have relationships with leading banks, investment banks, and institutional investors from which we are referred additional investment and fee generating opportunities.

We completed approximately $1.2 billion of transactions during 2018, compared to approximately $1.0 billion during 2017. As of December 31, 2018, we held approximately $2.0 billion of transactions on our balance sheet, which we refer to as our "Portfolio." For those transactions that we choose not to hold on our balance sheet, we transfer all or a portion of the economics of the transaction, typically using securitization trusts, to institutional investors in exchange for a gain on the transfer and in some cases, ongoing fees. As of December 31, 2018, we managed approximately $3.3 billion in these trusts or vehicles that are not consolidated on our balance sheet. When combined with our Portfolio, as of December 31, 2018, we manage approximately $5.3 billion of assets, which we refer to as our managed assets.

We use borrowings as part of our strategy to increase potential returns to our stockholders and have available to us a broad range of financing sources including non-recourse or recourse debt, equity and off-balance sheet securitization structures.

See Item 1. Business for a further discussion of our business, investing strategy, and financing strategy.

Market Conditions

We believe that the sustainable infrastructure markets in which we invest, and overall investment in climate change solutions, will continue to develop given the increasing awareness of the impact of climate change. According to the 2018 U.S *Fourth National Climate Assessment Report,* a report from the U.S. Global Change Research Program, the earth's climate is now changing faster than at any point in the history of modern civilization, primarily the result of human activities. The report concludes that the impacts of climate change are intensifying across the country but that the severity of future impacts will depend on efforts to reduce carbon emissions and how fast adaptations occur. Without changes to reduce the historic level of carbon emissions growth, the report estimates that annual losses in some economic sectors are projected to reach hundreds of billions of dollars by the end of the century-more than the current gross domestic product ("GDP") of many U.S. states. Similarly, on a global basis, the World Economic Forum's 2019 *Global Risk Report* identified extreme weather and failure to mitigate climate change as the two largest risks facing the global economy according to a survey of business, government, civil society and thought leaders.

At the present time, it is estimated that overall energy efficiency and renewable energy spending is over $500 billion a year globally and over $100 billion a year in the United States. For example, BloombergNEF ("BNEF") in a January 2019 report estimated that worldwide renewable energy investment was approximately $300 billion with U.S. investing approximately $64 billion. A study by the International Energy Agency ("IEA") titled *Energy Efficiency 2018* estimated global spending on energy efficiency was approximately $235 million with U.S. investing approximately $42 billion. As we focus on certain submarkets, our presently addressable market is less than these overall industry estimates as especially in energy efficiency, projects are often self-financed. However, we believe these estimates provide an indication of market trends.

Positive industry trends and the need to reduce carbon are expected to further increase the investment opportunity. The IEA in the same report estimates that energy efficiency spending pays back on average by a factor of 3 over the life of the improvement as a result of lower energy expenditure. The U.S. Energy Information Administration ("EIA") in its January 2019 report titled *Annual Energy Outlook 2019* estimated that energy efficiency will keep U.S. energy consumption largely flat even as the U.S. economy grows. BNEF in its *New Energy Outlook 2018* projects the cost from building and operating a new solar photo-voltaic plant is forecast to decline 71% by 2050, with project costs for onshore wind declining 58%.

The need to reduce carbon emissions is expected to drive further growth. IEA estimated that in order to achieve necessary carbon reductions, global energy efficiency annual spending would need to more than double by 2025 with a further doubling between by 2040. The EIA also estimates that the use of renewables will increase from 18% of U.S. generation to 31% by

2050. To quantify the future opportunity, a joint study was prepared by the International Renewable Energy Agency (“IRENA”) and the International Energy Agency (“IEA”) titled *Perspectives for the Energy Transition: Investment Needs for a Low-Carbon Energy Transition*, estimated that 76% of total worldwide estimated carbon emission reduction by 2050 would be achieved from energy efficiency and renewable energy investments. The study estimated that over $100 trillion dollars could be spent globally on energy efficiency and renewable energy over the next 35 years while increasing overall GDP growth.

In addition to a focus on reducing the amount of carbon emissions, we are seeing an increasing need to focus on adaptation to weather events or resiliency, including those as a result of climate change. According to the U.S. National Oceanic and Atmospheric Administration, there were 14 disaster events in the United States in 2018 with an estimated individual cost of greater than $1 billion, the 4th highest year ever, with an aggregate cost of approximately $90 billion dollars. The average annual number of such events over the last five years has doubled as compared to the average annual number of events since 1980. Over the last five years, the estimated cost of these events is approximately $500 billion.

Despite these trends, there have been certain federal governmental actions that could have downward pressure on the renewable energy market, such as the potential repeal of the clean power plan (“CPP”), a proposed rule introduced by the EPA under the prior presidential administration and intended to establish carbon emissions guidelines for existing U.S. power plants, the tariff on solar imports in the Section 201 solar trade case (“201”), the withdrawal of the U.S. from the Paris Climate Accords (the “ Paris Accords”) and the 2017 Tax Cut and Jobs Act (“TCJA”). The results of CPP, 201, withdrawal from the Paris Accords, and the TCJA may have caused a short-term reduction in growth in the U.S. renewable energy markets, however, we believe that the growth will continue given the strength in the other factors that are increasing demand.

There were also changes to certain provisions of the tax code in the 2017 TCJA that impacted the renewable energy market included the reduction in the corporate tax rate as well as a minimum tax on organizations with foreign operations referred to as the base erosion anti-abuse tax (“BEAT”) which potentially limits the value of renewable energy tax credits. It does not appear that there was a material impact to the market resulting from the BEAT other than a temporary slowdown in investment taken to understand the totality of the impacts of the provision. On a more positive note, there have been various legislative proposals to increase investment in renewable energy or to place a tax on carbon emissions.

The federal government actions have been largely offset by the continued interest by state and local governments to invest in, and implement policies to encourage, private sector funded investment in, sustainable infrastructure focused on climate change. For example, in the renewable energy markets, much of the U.S. energy policy is implemented at the state level where we continue to see support for the use of renewable energy in many states to address concerns on the long-term environmental impact to our society, to develop a sustainable environment and, in many cases, to encourage jobs creation and economic growth. Along with these policies, there has been an increase in corporate commitments to utilizing renewable energy and other forms of sustainable infrastructure. We believe that the development of projects in our markets help to achieve these goals and thus may benefit from these policies.

Both state and local governmental agencies and other organizations are responding to the ability of renewable energy and energy efficiency to address climate change. State governmental agencies are responding to the potential risks of climate change through the implementation of renewable portfolio standards (“RPS”) as well as energy reduction targets such as energy efficiency resource standards (“EERS”). According to the National Conference of State Legislatures, as of July 2018, there were twenty-nine states, Washington D.C. and three territories that have adopted RPS policies while eight states and one territory have set renewable energy goals with California with the highest goal of 100% renewable energy by 2050. Also, according to the EIA, as of July 2017, 24 states have EERS policies with many states recently increasing their targets in both of these programs. Corporate organizations are also addressing the concern of climate change through their own corporate policies, including increased commitments to the use of energy from renewable sources.

The Federal Energy Savings Performance Contracts ("ESPCs") are an example of a public private partnership that eliminate the need for a federal agency to find appropriated funds to replace, operate, and maintain energy-using equipment while providing multiple benefits, including saving taxpayer dollars from energy savings, improving conditions for federal workers and service men and women and creating private sector jobs. In total, according to the DOE, the federal government has identified, as of February 2019, approximately $8.5 billion of energy conservation measures that could be implemented at existing U.S. federal buildings. In addition, federal agencies, including the U.S. Department of Defense are focused on increased adoption of energy efficiency improvements and on-site renewable energy generation to improve energy resiliency. The recent John S. McCain National Defense Authorization Act for 2019 requires the military to address climate and energy resiliency in their planning with Congress encouraging the use of ESPCs to address these issues.

While we believe that the long-term growth prospects for our business remain positive, there is the potential for financial market and commodity price volatility and interest rate movements that may impact the markets we serve. The current interest

rate environment and increasing investor acceptance of our markets has increased the level of competition we experience. In addition, in 2018, the Federal Reserve Board of Governors continued to raise the rate at which banks lend to each other known as the federal funds rate and have implemented four rate increases equal to 1.0% during 2018 and has indicated for 2019, it will be patient in determining future rate increases. See "Item 7A. Quantitative and Qualitative Disclosures about Market Risk-Interest Rate and Borrowing Risks" for an analysis of the impact of rates on our business.

According to DOE data, the average annual Henry Hub natural gas prices decreased by approximately 30% from 2014 to 2018 with its 2019 outlook forecasting that prices will stabilize or begin to increase. Wholesale electricity prices are closely tied to wholesale natural gas prices in many parts of the country and thus lower natural gas prices have negatively impacted, and are expected to continue to negatively impact, renewable energy projects that sell wholesale power on a "merchant" basis at spot prices. As described in more detail in "Item 7A. Quantitative and Qualitative Disclosures about Market Risk-Commodity Price Risk" for further information on the impact of commodity prices, we attempt to mitigate our exposure to commodity price volatility by focusing on projects with contracted revenues and by negotiating certain structural protections such as a preferred return as well as our on-going active asset management and portfolio monitoring. We also seek to manage credit risk that might arise from commodity price declines thorough due diligence and underwriting processes, strong structural protections in our transaction agreements with customers and on-going active asset management and portfolio monitoring. In addition, we do not generally lend to individual companies but instead focus on projects or portfolios of assets which are typically held in special purpose entities.

Notwithstanding the near-term concerns that current market conditions have raised for our business, we believe significant opportunities exist for us to grow our business in the face of these conditions. Historically, attractive risk-adjusted returns were available in a higher interest rate environment rather than lower. As a long-term participant committed to providing capital for sustainable infrastructure, we plan to continue to fund projects that meet our underwriting standards and look for opportunities to expand our business.

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, 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 exemption from registration as an investment company under the 1940 Act.

Portfolio Size

The size of our Portfolio will be a key revenue driver. Generally, as the size of our Portfolio on our balance sheet grows the amount of our investment revenue will increase. Our Portfolio may grow at an uneven pace as opportunities to originate new assets may be irregularly timed, and the timing and extent of our success in such originations cannot be predicted. To the extent the size of our Portfolio changes due to equity method investment activity, the income or loss from such investments will not be included in revenue but are reflected on a separate line in our income statement and will vary over time. In addition, we may decide for any particular asset that we should securitize or otherwise sell a portion, or all, of the asset, which would result in gain on sale of receivables and investments or fee income as described below. The level of portfolio activity will fluctuate from period to period based upon the market demand for the capital we provide, our view of economic fundamentals including interest rates, the present mix of our Portfolio, our ability to identify new opportunities that meet our investment criteria, the volume of projects that have advanced to stages where we believe a transaction is appropriate, seasonality in our activities and in the various projects where we may provide debt or equity and our ability to consummate the identified opportunities, including as a result of our available capital. The level of our new origination activity, the percentage of the originations that we choose to retain on our balance sheet and the related income, will directly impact our investment revenue.

Income from Securitization, Syndication and Other Services

We will also earn gain on sale of receivables and investments or fee income by securitizing or selling all or a portion of our transactions and by servicing the securitization financings we arrange. For transactions that we securitize to a non-consolidated trust, we recognize a gain on securitization of the receivables. The gain may be comprised of both cash received and a retained interest in securitization assets. We may also recognize additional income such as servicing fees from these securitization assets over the life of the asset.

In many cases, we arrange the securitization of the loan or other asset prior to originating the transaction and thus have avoided exposure to credit spread and interest rate risks that are typically associated with traditional capital markets conduit transactions. In these cases, we avoid funding risks for these financings or other assets given that our securitization partners contractually agree to fund such assets before the origination transaction is completed.

We also generate fee income for syndications where we arrange financings that are held directly on the balance sheet of other investors or if we sell existing transactions to other investors. In these transactions, unless we decide to hold a portion of the economic interest of the transaction on our balance sheet, we have no exposure to risks related to ownership of those financings. We may charge advisory, retainer or other fees, including through our broker dealer subsidiary.

The gain on sale income and our other sources of fee income will also vary depending on the level of our new origination activity and the portion of our originated assets we decide to transfer to other investors. We view this revenue from such activities as a valuable component of our earnings and an important source of franchise value. The total amount of income from securitizations, syndications, and other services will vary on a quarter to quarter basis depending on various factors, including the level of our originations, the duration, credit quality and types of assets we originate, current and anticipated future interest rates, the impact on our leverage, the potential income from a securitization or syndication, the mix of our Portfolio and our need to tailor our mix of assets in order to allow us to qualify as a REIT for U.S. federal income tax purposes and maintain our exemption from registration under the 1940 Act.

Credit Risks

We source and identify quality opportunities within our broad areas of expertise and apply our rigorous underwriting processes to our transactions, which, we believe, will generally enable us to minimize our credit losses and keep financing costs low. While we do not anticipate facing significant credit risk in our assets related to 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 achieving pre-determined levels of energy savings. We are also exposed to credit risk in our other projects that do not benefit from governments as the obligor such as on balance sheet financing of projects undertaken by universities, schools and hospitals, as well as privately owned commercial projects. In the case of various renewable energy and other sustainable infrastructure projects, we will also be exposed to the credit risk of the obligor of the project's PPA or other long-term contractual revenue commitments, as well as to the credit risk of certain suppliers and project operators. Our level of credit risk has increased, and is expected to continue to increase, as our strategy increasingly includes mezzanine debt, real estate and equity investments. We seek to manage credit risk thorough due diligence and underwriting processes, strong structural protections in our transaction agreements with customers and continual, active asset management and portfolio monitoring. Nevertheless, unanticipated credit losses could occur and during periods of economic downturn in the global economy, our exposure to credit risks from obligors increases, and our efforts to monitor and mitigate the associated risks may not be effective in reducing our credit risks. See Item 7A. Quantitative and Qualitative Disclosures about Credit Risks for further information on our credit risks and see Note 6 of our audited financial statements included in this Form 10-K for additional detail of the credit risks surrounding our Portfolio.

Changes in Market Interest Rates and Liquidity

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 borrowings, including our credit facilities, and in the future, any new floating rate assets, credit facilities or other borrowings. See Item 7A. Quantitative and Qualitative Disclosures about Market Risk for further information on interest rates risks and liquidity.

Commodity Prices

When we make investments in a project that act as a substitute for an underlying commodity, we may be exposed to volatility in prices for that commodity. For example, the performance of renewable energy projects that produce electricity can be impacted by volatility in the market prices of various forms of energy, including electricity, coal and natural gas. This is especially true for utility scale projects that sell power on a wholesale basis such as many of our wind projects as opposed to distributed renewable projects or energy efficiency projects which compete against the retail or delivered costs of electricity which includes the cost of transmitting and distributing the electricity to the end user. See Item 7A. Quantitative and Qualitative Disclosures about Market Risk for further information on the impact of commodity prices.

Government Policies

We make investments in renewable energy projects that typically depend in part on various federal, state or local governmental policies that support or enhance the project's economic feasibility. Such policies may include governmental initiatives, laws and regulations designed to reduce energy usage and impact the use of renewable energy or the investment in, and the use of, sustainable infrastructure. Policies and incentives provided by the U.S. federal government may include tax credits (with some of these tax credits that are related to renewable energy scheduled to be reduced in the future), tax deductions, bonus depreciation, federal grants and loan guarantees, and energy market regulations. The value of tax credits, deductions and incentives may be impacted by changes in tax laws rates or regulations, including as a result of the TCJA.

Incentives provided by state and local governments may include a RPS, which specify the portion of the power utilized by local utilities that must be derived from renewable energy sources as well as the state or local government sponsored programs where the financing of energy efficiency or renewable energy projects is repaid through an assessment in the property tax bill in a program commonly referred to as PACE. Additionally, certain states have implemented feed-in or net metering tariffs, pursuant to which electricity generated from renewable energy sources is purchased at a higher rate than prevailing wholesale rates. Other incentives include tariffs, tax incentives and other cash and non-cash payments.

Governmental agencies, commercial entities and developers of sustainable infrastructure projects frequently depend on these policies and incentives to help defray the costs associated with, and to finance, various projects. Government regulations also impact the terms of third party financing provided to support these projects. If any of these government policies, incentives or regulations are adversely amended, delayed, eliminated, reduced, retroactively changed or not extended beyond their current expiration dates or there is a negative impact from the recent federal law changes or proposals, the operating results of the projects we finance and the demand for, and the returns available from our investments may decline, which could harm our business.

U.S. Federal Income Tax Legislation

The TCJA, which was signed into law on December 22, 2017, made significant changes to the U.S. federal income tax laws applicable to businesses and their owners, including REITs and their stockholders. Certain key provisions of the TCJA could impact us and our stockholders. See Note 10 of our audited financial statements in this Form 10-K for further information on the TCJA. Prospective investors are urged to consult with their tax advisors regarding the effects of the TCJA or other legislative, regulatory or administrative developments on an investment in our common stock.

Impacts of climate change on our future operations

As our business is focused on reducing carbon emissions and increasing resiliency to climate change, we are impacted by the effects of climate change and various related regulatory responses. To stem the effects of climate change within the 21st Century, nearly 200 countries agreed in December 2015 to the Accords, which aims to limit the increase in world-wide temperatures to 2 degrees Celsius above pre-industrial levels. Although the United States announced in 2017 its intention to withdraw from the Paris Agreement, numerous governmental, NGO, university, social media and private sector initiatives continue to support the goals outlined in the Accords, push initiatives beyond the Accords and encourage the transition from fossil fuel energy and related physical assets to increased deployment of clean energy and energy efficiency solutions. We understand that the transition to a lower-carbon economy will require sustained creative problem solving and substantial investment of capital over the next several decades across the entirety of the climate change front. We have built our business around providing capital to assets or projects and services aimed at making concrete progress in both mitigating the physical effects of climate change and in supporting the transition to a lower carbon economy.

Because our business focuses on supporting climate change solutions, our results of operations and the growth of our business will be impacted by the risks and opportunities associated with climate change. For example, our business will be impacted by the degree to which governmental initiatives encourage or fail to encourage climate change solutions. In particular, the value of and the revenue we generate from our assets will be positively impacted by governmental action that (1) increases taxes or fees on carbon emitting assets, or (2) increases the value or scope of renewable energy credits. In addition, governmental action that supports additional investment in infrastructure related to renewable energy, storage and energy efficiency assets, is likely to increase the volume of the assets available for us to invest.

If world-wide temperatures continue to rise, it would be reasonable to expect that flooding, storm surges and challenges with electric grid stability would occur more frequently. In this circumstance, we believe that we are likely to continue to see attractive investment opportunities in renewable energy, resiliency, and energy efficiency assets. Renewable energy assets are

becoming increasingly cost competitive when compared to fossil fueled energy assets, for example, and are also an integral component of a distributed generation platform that may be in more demand as the effects of climate change increase. In the case of energy efficiency assets, we expect there will be continued demand for the reduction in operating costs offered by such assets.

Further, all of our assets remain vulnerable to the potential impact of climate-related events, including flooding, increased wildfires, water scarcity, and changes in wind patterns. Each of these events could impact the operation of our assets through physical damage, higher operating expenses, and/or degraded performance. When considering the structure of our investments and environmental risks that may impact our results of operations, we typically negotiate contractual protections to insulate our financial returns from such downside risks outlined above and/or obtain insurance policies intended to mitigate our exposure to physical damage that may occur.

Critical Accounting Policies and Use of Estimates

Our financial statements are prepared in accordance with GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and use of assumptions as to future uncertainties. The following discussion addresses the accounting policies that we use including areas that involve the use of significant estimates. Our most critical accounting policies involve decisions and assessments that could affect our reported assets and liabilities, as well as our reported revenues and expenses. We believe that all of the decisions and assessments upon which our financial statements are based are reasonable at the time made and based upon information available to us at that time. Our critical accounting policies and accounting estimates may be expanded over time. Those material accounting policies and estimates that we expect to be most critical to an investor's understanding of our financial results and condition and require complex management judgment are discussed below. See Note 2 of the audited financial statements in this Form 10-K for further details on our accounting policies.

We evaluate our critical accounting estimates and judgments on an ongoing basis and update them, as necessary, based on changing conditions. Additionally, there were certain newly issued accounting pronouncements that may be relevant to our business. See Note 2 of the audited financial statements in this Form 10-K for further details on these newly issued accounting pronouncements.

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:

Consolidation and Equity Method Investments

We account for our investment in entities that are considered voting or variable interest entities under ASC 810,*Consolidation*. We perform an ongoing assessment and make judgments to determine the primary beneficiary of each entity as required by ASC 810, which includes an assessment of the type of control we have over the entity. If we would conclude that certain of these entities should be consolidated, we would include the entities assets, liabilities and related activity in our financial statements. Refer to discussion below relating to consolidation considerations for the securitization of receivables. We further discuss our process for evaluating these judgments in Note 2 of the audited financial statements of this Form 10-K.

For those transactions not consolidated, we generally determine our income allocations under the equity method of accounting based on the change in our claim on net assets of the investee entity using a method commonly referred to as the hypothetical liquidation at book value method or ("HLBV"). This method uses a hypothetical liquidation scenario that may require judgment in its application and could have a material impact on our reported financial results. Any changes in this method of application or in certain assumptions could either increase or decrease our net income. We further discuss our process for applying this method of income allocations in Note 2 of the audited financial statements of this Form 10-K.

Impairment of our Portfolio

We evaluate the various assets in our Portfolio on at least a quarterly basis, and more frequently when economic or other conditions warrant such an evaluation, for potential delinquencies or other events that may indicate a potential impairment of the such asset. If an asset is determined to be impaired, any impairment charges would be recorded in the income statement and reduce our net income. We further discuss our process for evaluating these judgments in Note 2 of the audited financial statements in this Form 10-K.

Securitization of Receivables

We have established various special purpose entities or securitization trusts for the purpose of securitizing certain receivables or other debt investments. We make judgments, based in part, on supporting legal opinions, on whether these entities should be consolidated as a variable interest entity, as defined in ASC 810, *Consolidation,* and whether the transfers to these entities are accounted for as a sale of a financial asset or a secured borrowing under ASC 860, *Transfers and Servicing*. If we would conclude that certain of these special purpose entities or securitization trusts should be consolidated, we would include the assets and liabilities of the entity and their related activity in our financial statements. If sale accounting is not met in these transactions it would be treated as a secured borrowing rather than a sale in our financial statements. We further discuss our process for evaluating these judgments in Note 2 of the audited financial statements of this Form 10-K.

Results of Operations

We focus on reducing the impact of, or increasing resiliency to, climate change by providing capital and our specialist expertise to the energy efficiency, renewable energy and other sustainable infrastructure markets. Our goal is to generate attractive returns for our stockholders by investing capital in assets or projects that generate long-term, recurring and predictable cash flows or cost savings from proven technologies. We believe we were one of the first U.S. public companies focused on building a diversified portfolio that addresses climate change. Our investments take various forms including equity, joint ventures, lending or other financing transactions, as well as land ownership and typically benefit from contractually committed high credit quality obligors. We also generate on-going fees through gain-on-sale securitization transactions, advisory services and asset management. We manage our business as a single portfolio and report all of our activities as one business segment.

We completed approximately $1.2 billion of transactions during 2018, compared to approximately $1.0 billion during 2017. Our strategy includes holding a large portion of these transactions on our balance sheet. We refer to the transactions we hold on our balance sheet as of a given date as our “Portfolio.” Our Portfolio was approximately $2.0 billion as of December 31, 2018 and December 31, 2017.

Portfolio

Our Portfolio totaled approximately $2.0 billion as of December 31, 2018, and included approximately $1.0 billion of BTM assets, approximately $0.9 billion of GC assets and approximately $0.1 billion of other sustainable infrastructure investments. Approximately 23% of our Portfolio consisted of unconsolidated equity investments in renewable energy related projects and approximately 20% of our Portfolio was real estate used in renewable energy projects. The remainder consisted of fixed-rate government and commercial receivables and debt securities which we generally refer to as debt investments. Our Portfolio consisted of over 185 transactions with an average size of $10 million and the weighted average remaining life of our Portfolio (excluding match-funded transactions) of approximately14 years as of December 31, 2018.

Our Portfolio included the following as of December 31, 2018:

- Equity investments in either preferred or common structures in unconsolidated entities;
- Government and commercial receivables, such as loans for renewable energy and energy efficiency projects;
- Real estate, such as land or other assets leased for use by sustainable infrastructure projects typically under long term leases; and
- Investments in debt securities of renewable energy or energy efficiency projects.

The table below provides details on the interest rate and maturity of our debt investments as of December 31, 2018:

	Balance	Maturity
	(in millions)	
Fixed-rate receivables, interest rates of less than 5.00% per annum	$ 403	2020 to 2046
Fixed-rate receivables, interest rates from 5.00% to 6.50% per annum	156	2020 to 2046
Fixed-rate receivables, interest rates greater than 6.50% per annum	386	2019 to 2069
Receivables	945	
Allowance for credit losses	—	
Receivables, net of allowance	945	
Fixed-rate investments, interest rates of less than 5.00% per annum	136	2019 to 2044
Fixed-rate investments, interest rates from 5.00% to 6.50% per annum	34	2028 to 2049
Total receivables and investments	**$ 1,115**	

The table below presents, for each major category of our Portfolio and the related interest-bearing liabilities, the average outstanding balances, income earned, the interest expense incurred, and average yield or cost. Our earnings from our equity method investments are not included in total revenue and thus we have excluded the income and related interest expense for our equity method investments from these calculations. Our net investment margin represents the difference between the interest and rental income generated by our Portfolio and the interest expense, divided by our average Portfolio balance.

	Years Ended December 31,		
	2018	2017	2016
	(dollars in millions)		
Interest income, receivables	$ 68	$ 57	$ 48
Average monthly balance of receivables	$ 1,001	$ 1,062	$ 858
Average interest rate of receivables	6.8%	5.3%	5.6%
Interest income, investments	$ 7	$ 5	$ 2
Average monthly balance of investments	$ 163	$ 122	$ 44
Average interest rate of investments	4.1%	4.2%	4.1%
Rental income	$ 25	$ 20	$ 12
Average monthly balance of real estate	$ 350	$ 284	$ 163
Average yield on real estate	7.0%	7.0%	7.3%
Average monthly balance of Portfolio	$ 1,514	$ 1,468	$ 1,064
Average yield from Portfolio	6.5%	5.6%	5.8%
Interest expense [(1)]	$ 62	$ 49	$ 31
Average monthly balance of debt [(1)]	$ 1,275	$ 1,079	$ 719
Average interest rate of debt [(1)]	4.9%	4.6%	4.3%
Average interest spread [(1)]	1.6%	1.0%	1.5%
Net investment margin [(1)]	2.4%	2.2%	2.9%

(1) Excludes amounts related to the non-recourse debt used to finance the equity method investments in the renewable energy projects because our earnings from these equity investments are not included in total revenue.

The following table provides a summary of our anticipated principal repayments for our receivables and investments as of December 31, 2018:

	Payment due by Period				
	Total	Less than 1 year	1-5 years	5-10 years	More than 10 years
			(in millions)		
Receivables	$ 945	$ 37	$ 123	$ 185	$ 600
Investments	170	68	17	23	62

See Note 6 of our audited financial statements in this Form 10-K for information on:

- the anticipated maturity dates of our receivables and investments and the weighted average yield for each range of maturities as of December 31, 2018,
- the term of our leases and a schedule of our future minimum rental income under our land lease agreements as of December 31, 2018,
- the credit quality of our Portfolio, and
- the receivables on non-accrual status.

For information on our residual assets relating to our securitization trusts, see Note 5 of our audited financial statements in this Form 10-K. The residual assets do not have a contractual maturity date and the underlying securitized assets have contractual maturity dates until 2055.

Comparison of the Year Ended December 31, 2018 to the Year Ended December 31, 2017

	Years ended December 31,			
	2018	2017	$ Change	% Change
		(dollars in millions)		
Revenue				
Interest income, receivables	$ 68	$ 57	$ 11	19 %
Interest income, investments	7	5	2	40 %
Rental income	24	20	4	20 %
Gain on sale of receivables and investments	33	21	12	57 %
Fee income	6	3	3	100 %
Total revenue	**138**	**106**	**32**	**30 %**
Expenses				
Interest expense	77	65	12	18 %
Compensation and benefits	26	20	6	30 %
General and administrative	13	11	2	18 %
Total expenses	**116**	**96**	**20**	**21 %**
Income before equity method investments	**22**	**10**	**12**	**120 %**
Income (loss) from equity method investments	22	22	—	— %
Income (loss) before income taxes	**44**	**32**	**12**	**38 %**
Income tax (expense) benefit	(2)	(1)	(1)	100 %
Net income (loss)	**$ 42**	**$ 31**	**$ 11**	**35 %**

NM—Percentage change is not meaningful.

- Net income increased by approximately $11 million as a result of a $32 million increase in total revenue, partially offset by a $20 million increase in total expenses, including a $12 million increase in interest expense, and a non-cash $1 million income tax expense increase. These results do not include the Non-GAAP core earnings adjustment related to equity method investments, which is discussed in the Non-GAAP Financial Measures section below.
- Interest income, receivables and investments increased by $13 million due primarily to an increase in average yield on our receivables, as well as prepayment fees recognized in the fourth quarter of 2018 as described below. Rental income grew by $4 million due to an approximately $66 million increase in the average real estate balance in our

Portfolio as compared to 2017. Gain on sale of receivables and investments and fee income grew by $15 million due primarily to an increase in securitization activity and related fees.

- In the fourth quarter, approximately $300 million of residential solar assets and our related $250 million of debt was prepaid. Both interest income and interest expense were impacted by this transaction as we recorded approximately $9 million of prepayment fees and the remaining portion of the unamortized loan fees of approximately $4 million in interest income offset by approximately $9 million of costs recorded in interest expense relating to the debt repayment.
- Interest expense for the year rose by approximately $12 million as a result of the prepayment expense described above and higher fixed-rate debt, primarily in the first three quarters of the year. The higher interest expense for the year was offset by a series of transactions in the fourth quarter which lower our interest costs including refinancing our primary credit facility, reducing the levels of our interest rate swaps and the $250 million debt repayment which reduced our leverage.
- Compensation and benefits and general and administrative increased by $8 million due primarily to growth in the Company and additional performance-based compensation.

Comparison of the Year Ended December 31, 2017 to the Year Ended December 31, 2016

	Years ended December 31			
	2017	2016	$ Change	% Change
	(dollars in millions)			
Revenue				
Interest income, receivables	$ 57	$ 48	$ 9	19%
Interest income, investments	5	2	3	150%
Rental income	20	12	8	67%
Gain on sale of receivables and investments	21	17	4	24%
Fee income	3	2	1	50%
Total revenue	**106**	**81**	**25**	**31%**
Expenses				
Interest expense	65	45	20	44%
Compensation and benefits	20	19	1	5%
General and administrative	11	8	3	38%
Total expenses	**96**	**72**	**24**	**33%**
Income before equity method investments	**10**	**9**	**1**	**11%**
Income (loss) from equity method investments	22	6	16	267%
Income (loss) before income taxes	**32**	**15**	**17**	**113%**
Income tax (expense) benefit	(1)	—	(1)	NM
Net income (loss)	**$ 31**	**$ 15**	**$ 16**	**107%**

NM -- Percentage change not meaningful

- Net income increased by approximately $16 million as a result of a $25 million increase in total revenue and $16 million increase in income from equity method investments, partially offset by a $24 million increase in total expenses, including a $20 million increase in interest expense, and a $1 million income tax expense. These results do not include the Non-GAAP core earnings adjustment related to equity method investments, which is discussed in the Non-GAAP Financial Measures section below.
- Interest income, receivables increased by $9 million due to an approximately $200 million increase in the average receivables balance in our Portfolio as compared to 2016, offsetting a slight decrease in the average yield from 5.6% to 5.3%. Rental income grew by $8 million due to an approximately $120 million increase in the average real estate balance in our Portfolio as compared to 2016. Gain on sale of receivables and investments grew by $4 million due primarily to an increase in securitization margins and related fees.
- The increase in revenue was offset by $20 million of higher interest expense due to an increase in the average outstanding balance of our debt and higher fixed rate debt amounts outstanding during the year ended December 31, 2017, when compared to the same period in 2016.

- Compensation and benefits increased by $1 million due to higher staffing costs and general and administrative costs increased by approximately $3 million primarily due to additional transaction specific costs, professional services fees, and other administrative costs.
- The $16 million increase in income from equity method investments is primarily driven by new equity investments in 2017 as well as increased income from existing investments as a result of tax attributes realized primarily by our co-investors. Income tax expense increased by $1 million due to this higher income from our equity method investments held in our TRSs. See the Non-GAAP Financial Measures section below for more information.

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 and (2) managed assets. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as measures 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 GAAP net income excluding non-cash equity compensation expense, non-cash provision for credit losses, amortization of intangibles, any one-time acquisition related costs or non-cash tax charges and the earnings attributable to our non-controlling interest of our Operating Partnership. We also make an adjustment for our equity method investments in the renewable energy projects as described below. In the future, core earnings may also exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as approved by a majority of our independent directors.

Certain of our equity method investments in renewable energy projects are structured using typical partnership “flip” structures where we, along with any other institutional investors, if any, receive a pre-negotiated preferred return consisting of priority distributions from the project cash flows, in many cases, along with tax attributes. Once this preferred return is achieved, the partnership “flips” and the renewable energy company, which operates the project, receives more of the cash flows through its equity interests while we, and any other institutional investors, retain an ongoing residual interest. We typically negotiate the purchase prices of our equity investments, which have a finite expected life, based on our assessment of the expected cash flows we will receive from these projects discounted back to the net present value, based on a target investment rate, with the expected cash flows to be received in the future reflecting both a return on the capital (at the investment rate) and a return of the capital we have committed to the project. We use a similar approach in the underwriting of our receivables.

Under GAAP, we account for these equity method investments utilizing the HLBV method. Under this method, we recognize income or loss based on the change in the amount each partner would receive, typically based on the negotiated profit and loss allocation, if the assets were liquidated at book value, after adjusting for any distributions or contributions made during such quarter. The HLBV allocations of income or loss may be impacted by the receipt of tax attributes, as tax equity investors are allocated losses in proportion to the tax benefits received, while the sponsors of the project are allocated gains of a similar amount. In addition, the agreed upon allocations of the project’s cash flows may differ materially from the profit and loss allocation used for the HLBV calculations.

The cash distributions for our equity method investments are segregated into a return on and return of capital on our cash flow statement based on the cumulative income that has been allocated using the HLBV method. However, as a result of the application of the HLBV method, including the impact of tax allocations, the high levels of depreciation and other non-cash expenses that are common to renewable energy projects and the differences between the agreed upon profit and loss and the cash flow allocations, the distributions and thus the economic returns (i.e. return on capital) achieved from the investment are often significantly different from the income or loss that is allocated to us under the HLBV method. Thus, in calculating core earnings, we further adjust GAAP net income to take into account our calculation of the return on capital (based upon the investment rate) from our renewable energy equity method investments, as adjusted to reflect the performance of the project and the cash distributed. We believe this core equity method investment adjustment to our GAAP net income in calculating our core earnings measure is an important supplement to the HLBV income allocations determined under GAAP for an investor to understand the economic performance of these investments.

For the year ended December 31, 2018, we recognized$22.2 million in income under GAAP for our equity investments in renewable energy projects. We reversed the GAAP income and recorded $40.9 million for core earnings as discussed above

to reflect our return on capital from these investments for the year ended December 31, 2018. This compares to the collected cash distributions from these equity method investments of approximately $114.6 million for the year ended December 31, 2018, with the difference between core earnings and cash collected representing a return of capital.

For the year ended December 31, 2017, we recognized $22.3 million in income under GAAP for our equity investments in renewable energy projects. We reversed the GAAP income and recorded $42.7 million for core earnings as discussed above to reflect our return on capital from these investments for the year ended December 31, 2017. This compares to the collected cash distributions from these equity method investments of approximately $89.7 million for the year ended December 31, 2017, with the difference between core earnings and cash collected representing a return of capital.

For the year ended December 31, 2016, we recognized $6.1 million in income under GAAP for our equity investments in renewable energy projects. We reversed the GAAP income and recorded $30.5 million for core earnings as discussed above to reflect our return on capital from these investments for the year ended December 31, 2016. This compares to the collected cash distributions from these equity method investments of approximately $55.8 million for the year ended December 31, 2016, with the difference between core earnings and cash collected representing a return of capital.

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 companies 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 our investors.

However, core earnings does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), or an indication of our cash flow from operating activities (determined in accordance with GAAP), or 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 companies to calculate the same or similar supplemental performance measures, and accordingly, our reported core earnings may not be comparable to similar metrics reported by other companies.

We have calculated our core earnings for the years ended December 31,2018, 2017 and 2016. The table below provides a reconciliation of our GAAP net income to core earnings:

	For the Years Ended December 31,					
	2018		2017		2016	
	$	Per Share	$	Per Share	$	Per Share
	(dollars in thousands, except per share amounts)					
Net income attributable to controlling stockholders	$ 41,577	$ 0.75	$ 30,856	$ 0.57	$ 14,652	$ 0.32
Core earnings adjustments						
Reverse GAAP income from equity method investments	(22,162)		(22,289)		(6,110)	
Add back core equity method investments earnings	40,923		42,707		30,491	
Non-cash equity-based compensation charges	10,066		11,304		10,054	
Amortization of intangibles	3,207		2,622		1,338	
Non-cash provision (benefit) for taxes	1,968		756		—	
Current year earnings attributable to non-controlling interest	221		179		104	
Core earnings [1]	**$ 75,800**	**$ 1.38**	**$ 66,135**	**$ 1.27**	**$ 50,529**	**$ 1.20**

(1) Core earnings per share is based on 54,742,869 shares, 52,231,030 shares and 41,940,480 shares for the years ended December 31, 2018, 2017 and 2016, respectively, which represents the weighted average number of fully-diluted shares outstanding including our restricted stock awards and restricted stock units and the non-controlling interest in our Operating Partnership. We include any potential common stock issuance in this calculation related to our convertible notes using the treasury stock method.

Managed Assets

As we both consolidate assets on our balance sheet and securitize assets, certain of our receivables and other assets are not reflected on our balance sheet where we may have a residual interest in the performance of the investment, such as servicing rights or a retained interest in cash flows. Thus, we present our investments on a non-GAAP "managed" basis, which assumes that securitized receivables are not sold. We believe that our Managed Asset information is useful to investors because it portrays the amount of both on- and off-balance sheet receivables that we manage, which enables investors to understand and evaluate the credit performance associated with our portfolio of receivables, investments, and residual assets in securitized receivables. Our non-GAAP Managed Assets measure may not be comparable to similarly titled measures used by other companies.

The following is a reconciliation of our GAAP Portfolio to our Managed Assets as of December 31,2018, 2017, and 2016:

	As of December 31,		
	2018	2017	2016
	(dollars in millions)		
Equity method investments	$ 471	$ 523	$ 363
Government receivables [1]	497	535	526
Commercial receivables [2]	447	477	516
Real estate	365	341	172
Investments	170	151	58
Assets held in securitization trusts	3,334	2,709	2,298
Managed assets	**$ 5,284**	**$ 4,736**	**$ 3,933**
Credit losses as a percentage of assets under management	0.0%	0.0%	0.0%

(1) Includes receivables held-for-sale of $16 million in 2017.
(2) Includes receivables held-for-sale of $3 million in 2017.

Other Financial Measures

The following are certain other financial measures for the years ended December 31,2018, 2017 and 2016.

	Years Ended December 31,		
	2018	2017	2016
Return on assets	1.9%	1.5%	0.9%
Return on equity	5.7%	5.1%	2.9%
Average equity to average total assets ratio	32.9%	30.5%	31.3%

Environmental Metrics

As discussed in Item 1. Business, as part of our investment process, we calculate the estimated metric tons of CO2 equivalent emissions, or carbon emissions avoided by our investments. In this calculation which we refer to as CarbonCount®, we apply emissions factor data from the U.S. Government or the International Energy Administration to an estimate of a project's energy production or savings to compute an estimate of metric tons of carbon emissions avoided. We estimate that our investments originated in 2018 will reduce annual carbon emissions by approximately496 thousand metric tons.

In assessing our performance and results of operations, we also consider the impact of our operations on the environment. We utilize the carbon emissions categorizations established by the World Resources Institute Greenhouse Gas Protocol Corporate Standards ("Standards") to set goals and calculate our estimated emissions. The categorizations are as follows:

- *Scope 1 GHG emissions - Direct emissions* - Emissions from operations that are owned or controlled by the reporting company.
- *Scope 2 GHG emissions - Indirect emissions* - Emissions from the generation of purchased or acquired energy such as electricity, steam, heating or cooling, consumed by the reporting company.
- *Scope 3 GHG emissions - Indirect emissions* - All other indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

The table below illustrates our goals and performance for 2018 in metric tons ("MT").

Category	Goal	Performance
Scope 1 GHG emissions	0 MT	0 MT
Scope 2 GHG emissions	0 MT	0 MT[1]
Scope 3 GHG emissions	0 MT[2]	< 500 MT[2]

(1) Performance stated is market-based which includes the impact of purchasing carbon offsets.

(2) Our stated actual performance for Scope 3 GHG emissions does not include the carbon emissions reductions as a result of our investments. The first year carbon emissions reductions as a result of our investments originated in 2018 are 496,000 MT.

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 assets, make distributions to our stockholders and other general business needs. We will use significant cash to make investments in sustainable infrastructure, 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 and have available to us a broad range of financing sources. We finance our investments through the use of non-recourse or recourse debt, equity and may finance transactions through the use of off-balance sheet securitization structures.

In December 2018, we entered into two senior secured revolving credit facilities ("Rep-Based Facility" and "Approval-Based Facility") with several lenders with a combined maximum outstanding balance of $450 million, to repay and replace our

existing credit facility. For additional information on our credit facilities, see Note 7 to our audited financial statements on this Form 10-K.

As of December 31, 2018, we had approximately $835 million of non-recourse borrowings. In the fourth quarter of 2018, we repaid approximately $250 million of non-recourse debt ("HASI SYB Loan Agreement 2015-3" and "HASI SYB Loan Agreement 2016-1") as a result of the repayment of the assets leveraged by those loans.

We also continue to utilize off-balance sheet securitization transactions, where we transfer the loans or other assets we originate to securitization trusts or other bankruptcy remote special purpose funding vehicles that are not consolidated on our balance sheet. As of December 31, 2018, the outstanding principal balance of our assets financed through the use of these off-balance sheet transactions was approximately $3.3 billion.

Large institutional investors, primarily insurance companies and commercial banks, have provided the financing for these non-recourse and off-balance sheet financings. We have worked to expand our liquidity and access to the debt and bank loan markets and have entered into transactions with a number of new institutional investors in the last year. For further information on the credit facilities, asset backed non-recourse debt, convertible notes, and securitizations, see Notes 5, 7 and 8 to our audited financial statements of this Form 10-K.

During the year ended December 31, 2018, we raised approximately $187 million through the issuance of equity, including approximately$108 million of common equity in December 2018 through a public offering, and approximately $79 million under our “at-the-market” equity distribution program, or our ATM program, pursuant to which we can offer to sell, from time to time, up to an aggregate amount of $150 million of our common stock. For additional information related to our equity raises see Note 11 to our audited financial statements of this Form 10-K.

We plan to raise additional equity capital and continue to use fixed and floating rate borrowings which may be 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 a means of financing our business. We also expect to use both on-balance sheet and non-consolidated securitizations and also believe we will be able to customize securitized tranches to meet investment preferences of different investors. We may also consider the use of separately funded special purpose entities or funds to allow us to expand the investments that we make.

The decision on how we finance specific assets or groups of assets is largely driven by capital allocations and risk and portfolio and financial management considerations, including the potential for gain on sale or fee income, as well as the overall interest rate environment, prevailing credit spreads and the terms of available financing and market conditions. Over time, as market conditions change, we may use other forms of debt and equity in addition to these financings arrangements.

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, the interest rate environment and the credit quality of our financing counterparties. As shown in the table below, our debt to equity ratio was approximately 1.5 to 1 as of December 31, 2018, which is below our leverage target of up to 2.5 to 1. Given our historical and present leverage levels of below 2.5 to 1, our board of directors as of February 2019 has clarified the leverage target to be up to 2.5 to 1 versus the prior level of 2.5 to 1. We will continue to evaluate the appropriate level of debt and may, over time, make additional changes to our targeted levels. Our percentage of fixed rate debt was approximately 74% as of December 31, 2018, which is within our targeted fixed rate debt percentage range of 60% to 85%.

The calculation of our fixed-rate debt and leverage as ofDecember 31, 2018 and 2017 is shown in the chart below:

	December 31, 2018	% of Total	December 31, 2017	% of Total
	(dollars in millions)		*(dollars in millions)*	
Floating-rate borrowings	$ 317	26%	$ 110	8%
Fixed-rate debt	925	74%	1,318	92%
Total debt [1]	$ 1,242	100%	$ 1,428	100%
Equity	$ 805		$ 643	
Leverage	1.5 to 1		2.2 to 1	

(1) Floating-rate borrowings include borrowings under our floating-rate credit facilities and approximately $58 million and approximately $40 million of non-recourse debt with floating rate exposure as of December 31, 2018 and December 31, 2017, respectively.

Approximately $32 million of the 2018 and 2017 floating rate exposure is hedged beginning in 2019. Fixed-rate debt includes the present notional value of non-recourse debt that is hedged using interest rate swaps. Debt excludes securitizations that are not consolidated on our balance sheet.

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 may temporarily exceed the leverage or fixed rate debt targets, if our board of directors approves a material change to these targets, we anticipate advising our stockholders of this change through disclosure in our periodic reports and other filings under the Exchange Act.

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 receivables and investments, 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 in addition to our cash on hand will be adequate for purposes of meeting our short-term and long-term liquidity needs, which include funding future investments, operating costs and distributions to our stockholders. To qualify as a REIT, we must distribute annually at least 90% of our REIT's taxable income without regard to the deduction for dividends paid and excluding net capital gains. These dividend 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 approximately $59 million, $118 million and $59 million of unrestricted cash, cash equivalents, and restricted cash as of December 31, 2018, 2017 and 2016, respectively.

Cash Flows Relating to Operating Activities

Net cash provided by operating activities was approximately $59 million for the year ended December 31, 2018, driven primarily by net income of $42 million, plus adjustments for non-cash and other items of $17 million. The non-cash and other adjustments consisted of increases of $15 million of depreciation and amortization, $13 million related to receivables held-for-sale, $10 million related to equity-based compensation, $7 million related to accounts payable and accrued expenses, $4 million related to equity method investments, and $9 million related to cost associated with the repayment of the residential solar related debt. These were offset by $26 million related to gains on securitizations and $15 million related to other items.

Net cash provided by operating activities was approximately $12 million for the year ended December 31, 2017, driven primarily by net income of $31 million and adjustments for non-cash items of $24 million, consisting primarily of equity-based compensation and depreciation and amortization. This was offset by $29 million in non-cash items related to the sale of receivables (including the change in receivables held-for-sale), a net adjustment related to our equity method investments of $8 million and other operating cash net outflows of $6 million.

Net cash provided by operating activities was approximately $57 million for the year ended December 31, 2016, driven primarily by net income of $15 million, impact from the sale of receivables (including the change in receivables held-for-sale) and investments of $33 million, and adjustments for non-cash items of $19 million, consisting primarily of equity-based compensation and depreciation and amortization. This was offset by net changes in accounts payable and accrued expenses and other of $10 million.

Cash Flows Relating to Investing Activities

Net cash provided by investing activities was approximately $51 million for the year ended December 31, 2018. We collected $351 million from receivables and fixed rate debt securities, which includes the $300 million collected from the repayment of the residential solar assets. We also collected $88 million from equity method investments representing the return of capital determined under GAAP, received $36 million from the sale of equity method investments, and withdrew $33 million from escrow accounts. We made $318 million of investments in receivables and fixed rate debt-securities, made $28 million of investments in real estate, made $76 million of equity method investments, and funded escrow accounts for $35 million.

Net cash used in investing activities was approximately $298 million for the year ended December 31, 2017. We used $133 million to purchase receivables and investments, $171 million to purchase real estate, cash of $233 million for additional equity investments in renewable energy projects, and $23 million for other cash outflows. We collected cash from principal payments on our receivables and investments of $102 million. In addition, we received $85 million from the sale of receivables and investments and cash distributions not reflected in operating activities from our investment in our renewable energy projects of $75 million.

Net cash used in investing activities was approximately $191 million for the year ended December 31, 2016. We used $332 million to purchase receivables and investments, $18 million to purchase real estate, and net cash of $61 million for additional renewable energy projects, and $1 million for other cash outflows. We collected cash from principal payments on our receivables and investments of $118 million. In addition, we received $54 million from the sale of receivables and investments and cash distributions not reflected in operating activities from our investment in our renewable energy projects of $49 million.

Cash Flows Relating to Financing Activities

Net cash used in financing activities was approximately $168 million for the year ended December 31, 2018. We had non-recourse debt borrowings of $69 million, borrowings from our credit facilities of $172 million, and received $187 million of net proceeds from the issuance of common stock. We made $390 million of principal payments on non-recourse debt, which includes the $250 million debt repayment related to the repayment of the residential solar assets. We also made, $47 million of principal payments on credit facilities, $74 million of payments on deferred funding obligations, paid $71 million of dividends and distributions, and had other cash outflows of $14 million.

Net cash provided by financing activities was approximately $345 million for the year ended December 31, 2017. This includes credit facility and non-recourse debt borrowings of $912 million, convertible debt proceeds of $150 million, and net proceeds of $97 million from the sale of our common stock. These cash inflows were partially offset by payments to reduce our borrowings under the credit facility, deferred funding obligations, and non-recourse debts totaling $720 million, the payment of dividends and distributions to our stockholders and OP unit holders of $68 million, and other cash outflows of $26 million.

Net cash provided by financing activities was approximately $114 million for the year ended December 31, 2016. This includes credit facility and non-recourse debt borrowings of $406 million and net proceeds of $177 million from the sale of our common stock. These cash inflows were partially offset by payments to reduce our borrowings under the credit facility, deferred funding obligations, and non-recourse debts totaling $407 million, the payment of dividends and distributions to our stockholders and OP unit holders of $49 million, and a change in other cash outflows of $13 million.

Contractual Obligations and Commitments

The following table provides a summary of our contractual obligations as of December 31,2018:

	Payment due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 - 3 Years**	**3 - 5 Years**	**More than 5 years**
			(in millions)		
Non-recourse debt [1]	$ 852	$ 139	$ 50	$ 88	$ 575
Interest on non-recourse debt [1]	314	35	60	54	165
Credit facilities	259	11	16	232	—
Interest on credit facilities [2]	44	10	20	14	—
Convertible notes [3]	150	—	—	150	—
Interest on convertible notes	23	7	12	4	—
Deferred funding obligations	72	51	21	—	—
Deferred funding obligations interest	1	1	—	—	—
Operating lease obligations	5	1	1	1	2
Total	**$ 1,720**	**$ 255**	**$ 180**	**$ 543**	**$ 742**

(1) Our non-recourse debt is secured by the assets that were financed with no recourse to our general assets and excludes the $17 million of unamortized debt issuance costs. Debt service, in the majority of the cases, is equal to or less than the value of the assets. Interest is

calculated based on the interest rate in effect at December 31, 2018, including the effect of interest rate hedges as applicable. Interest paid on these obligations was $58 million and $38 million for the years ended December 31, 2018 and 2017, respectively.

(2) Interest is calculated based on the interest rate in effect at December 31, 2018, 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 facilities. Interest paid on credit facilities was $6 million and $9 million for the years ended December 31, 2018 and 2017 respectively.

(3) Excludes $4 million of unamortized debt issuance costs. Interest paid on convertible notes was $6 million in 2018. No interest payments were made on convertible notes in 2017.

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 (including any outstanding servicer advances) of approximately $72 million as of December 31, 2018, that may be at risk in the event of defaults or prepayments in our securitization trusts and as discussed below, we have not guaranteed any obligations of non-consolidated 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 of our audited financial statements included in this Form 10-K.

In connection with some of our transactions, we have provided certain limited guaranties to other transaction participants covering the accuracy of certain limited representations, warranties or covenants and provided an indemnity against certain losses from "bad acts" including fraud, failure to disclose a material fact, theft, misappropriation, voluntary bankruptcy or unauthorized transfers. We have also guaranteed our compliance with certain tax matters, such as negatively impacting the investment tax credit and certain other obligations in the event of a change in ownership or our exercising certain protective rights.

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 pays tax at regular corporate rates to the extent that it annually distributes less than 100% of its REIT taxable income. Our current policy is to pay quarterly distributions, which on an annual basis will equal or exceed substantially all of our REIT taxable income. Any distributions we make will be at the discretion of our board of directors and will depend upon, among other things, our actual results of operations. These results and our ability to pay distributions will be affected by various factors, including the net interest and other income from our portfolio, our operating expenses and any other expenditures. 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, or our declared distribution we could be required to sell assets, borrow funds, or raise additional capital 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 TRSs.

To the extent that we generate taxable income, distributions to our stockholders generally will be taxable as ordinary income, although all or a portion of such distributions may be designated by us as a qualified dividend or capital gain. Beginning in 2018 (and through taxable years ending in 2025), a deduction is permitted for certain pass-through business income, including “qualified REIT dividends” (generally, dividends received by a REIT shareholder that are not designated as capital gain dividends or qualified dividend income), which will allow U.S. individuals, trusts, and estates to deduct up to 20% of such amounts, subject to certain limitations, resulting in an effective maximum U.S. federal income tax rate of 29.6% on such qualified REIT dividends. In the event we make distributions to our stockholders in excess of our taxable income, the excess will 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.

The dividends declared in 2018 and 2017 are described under Note 11 of the audited financial statements in this Form 10-K.

Book Value Considerations

As of December 31, 2018, we carried only our investments, interest rate swaps and residual assets in securitized receivables (included in other assets) 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 our investments, interest rate swaps and the residual assets in securitized receivables that are carried on our balance sheet at fair value as of December 31, 2018, 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 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, interest rates or commodity prices 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.

Inflation

We do not anticipate that inflation will have a significant effect on our results of operations. However, in the event of a significant increase in inflation, interest rates could rise and our projects and investments may be materially adversely affected.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We anticipate that our primary market risks will be related to, the credit quality of our counterparties and project companies, market interest rates, the liquidity of our assets, and commodity prices. 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

We source and identify quality opportunities within our broad areas of expertise and apply our rigorous underwriting processes to our transactions, which, we believe, will generally enable us to minimize our credit losses and keep financing costs low. While we do not anticipate facing significant credit risk in our assets related to 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 achieving pre-determined levels of energy savings. We are also exposed to credit risk in our other projects that do not benefit from governments as the obligor such as on balance sheet financing of projects undertaken by universities, schools and hospitals, as well as privately owned commercial projects. In the case of various renewable energy and other sustainable infrastructure projects, we will also be exposed to the credit risk of the obligor of the project's PPA or other long-term contractual revenue commitments, as well as to the credit risk of certain suppliers and project operators. Our level of credit risk has increased, and is expected to continue to increase, as our strategy increasingly includes mezzanine debt, real estate and equity investments. We seek to manage credit risk through due diligence and underwriting processes, strong structural protections in our transaction agreements with customers and continual, active asset management and portfolio monitoring. Nevertheless, unanticipated credit losses could occur and during periods of economic downturn in the global economy, our exposure to credit risks from obligors increases, and our efforts to monitor and mitigate the associated risks may not be effective in reducing our credit risks.

We utilize a risk rating system to evaluate projects that we target. We first evaluate the credit rating of the obligors involved in the project using an average of the external credit ratings for an obligor, if available, or an estimated internal rating based on a third-party credit scoring system. We then evaluate the probability of default and estimated recovery rate based on the obligors' credit ratings and the terms of the contract. We also review the performance of each investment, including through, as appropriate, a review of project performance, monthly payment activity and active compliance monitoring, regular communications with project management and, as applicable, its obligors, sponsors and owners, monitoring the financial performance of the collateral, periodic property visits and monitoring cash management and reserve accounts. The results of our reviews are used to update the project's risk rating as necessary. Additional detail of the credit risks surrounding our Portfolio can be found in Note 6 of our financial statements included in this Form 10-K.

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 borrowings, including our credit facilities, and in the future, any new floating rate assets, credit facilities or other borrowings. 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 borrowings 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 borrowings, we may have to curtail our origination of new assets 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 and other borrowings may be of limited duration and are periodically refinanced at then current market rates. We attempt to reduce interest rate risks and to minimize exposure to interest rate fluctuations through the use of fixed rate financing structures, when appropriate, whereby we seek to (1) match the maturities of our debt obligations with the maturities of our assets, (2) borrow at fixed rates for a period of time, like in our asset backed securitizations, or (3) 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. We monitor the impact of interest rate changes on the market for new originations and often have the flexibility to negotiate the term of our investments to offset interest rate increases.

Typically, our long-term debt is at fixed rates or we have used interest rate hedges that convert the majority of the floating rate debt to fixed rate. If interest rates rise, and our fixed rate debt balance remains constant, we expect the fair value of our fixed rate debt to decrease and the value of our hedges on floating rate debt to increase. See Note 3 to our financial statements in this Form 10-K for the estimated fair value of our fixed rate long-term debt, 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. We carry our interest rate hedges at fair value in our balance sheet as described in Note 8 to our financial statements in this Form 10-K.

Our credit facilities contain variable rate loans with approximately$259 million outstanding as of December 31, 2018 and we have approximately $58 million of variable rate exposure under our non-recourse debt. Significant increases in interest rates would result in higher interest expense while decreases in interest rates would result in lower interest 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 these facilities. A 50 basis point increase in LIBOR would increase the quarterly interest expense related to the $317 million in variable rate borrowings by$0.4 million. Such hypothetical impact of interest rates on our variable rate borrowings does not consider the effect of any change in overall economic activity that could occur in a rising interest rate environment. Further, in the event of such a change in interest rates, we may take actions to further mitigate our exposure to such a change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, the analysis assumes no changes in our financial structure.

We record certain of our assets at fair value in our financial statements and any changes in the discount rate would impact the value of these assets. See Note 3 of the audited financial statements in this Form 10-K.

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. Many of the projects in which we invest have one obligor and thus we are subject to concentration risk for these investments and could incur significant losses if any of these projects perform poorly or if we are required to write down the value of any of these projects. Many of our assets, or the collateral supporting those assets, are concentrated in certain geographic areas, which may make those assets or the related collateral more susceptible to natural disasters or other events. See also “Credit Risks” above.

Commodity Price Risk

When we make equity or debt investments for a renewable energy project that acts as a substitute for an underlying commodity, we may be exposed to volatility in prices for that commodity. The performance of renewable energy projects that produce electricity can be impacted by volatility in the market prices of various forms of energy, including electricity, coal and natural gas. This is especially true for utility scale projects that sell power on a wholesale basis such as many of our wind

projects as opposed to distributed renewable projects or energy efficiency projects which compete against the retail or delivered costs of electricity which includes the cost of transmitting and distributing the electricity to the end user.

Although we generally focus on renewable energy projects that have the majority of their operating cash flow supported by long term PPAs, to the extent that the projects have shorter term contracts (which may have the potential of producing higher current returns) or sell their power in the open market on a merchant basis, the cash flows of such projects, and thus the repayment of, or the returns available for, our assets, are subject to risk if energy prices change. We also attempt to mitigate our exposure through structural protections. These structural protections, which are typically in the form of a preferred return mechanism, are designed to allow recovery of our capital and an acceptable return over time. When structuring and underwriting these transactions, we evaluate these transactions using a variety of scenarios, including natural gas prices remaining low for an extended period of time. Despite these protections, as low natural gas prices continue or PPAs expire, the cash flows from certain of our projects are exposed to these market conditions and we work with the projects sponsors to minimize any impact as part of our on-going active asset management and portfolio monitoring. In the case of utility scale solar projects, we focus on owning the land under the project where our rent is paid out of project operational costs before the debt or equity in the project receives any payments.

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 such as renewable energy that may be a substitute for natural gas. We seek to structure our energy efficiency investments so that we typically avoid exposure to commodity price risk. However, 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.

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 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 has only been one credit loss, amounting to approximately $11 million (net of recoveries) on the over $5 billion of transactions we originated since 2012, which represents an aggregate loss of less than approximately 0.2% 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. Additionally, we have established a Finance and Risk Committee of our board of directors which discusses and reviews policies and guidelines with respect to our risk assessment and risk management for various risks, including, but not limited to, our interest rate, counter party, credit, capital availability, and refinancing risks.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Hannon Armstrong Sustainable Infrastructure Capital, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018, and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 22, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 1983.

Tysons, Virginia

February 22, 2019

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Hannon Armstrong Sustainable Infrastructure Capital, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Hannon Armstrong Sustainable Infrastructure Capital, Inc.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and our report dated February 22, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia

February 22, 2019

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	December 31, 2018	December 31, 2017
Assets		
Equity method investments	$ 471,044	$ 522,615
Government receivables	497,464	519,485
Commercial receivables	447,196	473,452
Receivables held-for-sale	—	19,081
Real estate	365,370	340,824
Investments	169,793	151,209
Cash and cash equivalents	21,418	57,274
Other assets	182,628	166,232
Total Assets	**$ 2,154,913**	**$ 2,250,172**
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable, accrued expenses and other	$ 36,509	$ 25,645
Deferred funding obligations	72,100	153,308
Credit facilities	258,592	69,922
Non-recourse debt (secured by assets of $1,105 million and $1,545 million, respectively)	834,738	1,210,861
Convertible notes	148,451	147,655
Total Liabilities	1,350,390	1,607,391
Stockholders' Equity:		
Preferred stock, par value $0.01 per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 450,000,000 shares authorized, 60,510,086 and 51,665,449 shares issued and outstanding, respectively	605	517
Additional paid in capital	965,384	770,983
Accumulated deficit	(163,205)	(131,251)
Accumulated other comprehensive income (loss)	(1,684)	(1,065)
Non-controlling interest	3,423	3,597
Total Stockholders' Equity	804,523	642,781
Total Liabilities and Stockholders' Equity	**$ 2,154,913**	**$ 2,250,172**

See accompanying notes.

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

	Years Ended December 31,		
	2018	2017	2016
Revenue			
Interest income, receivables	$ 67,711	$ 56,734	$ 48,202
Interest income, investments	6,636	5,079	1,822
Rental income	24,606	19,831	11,933
Gain on sale of receivables and investments	32,928	20,956	17,425
Fee income	5,927	2,973	1,816
Total revenue	**137,808**	**105,573**	**81,198**
Expenses			
Interest expense	76,874	65,472	45,241
Compensation and benefits	25,651	19,708	18,877
General and administrative	13,503	10,762	8,293
Total expenses	**116,028**	**95,942**	**72,411**
Income before equity method investments	**21,780**	**9,631**	**8,787**
Income (loss) from equity method investments	22,162	22,289	6,110
Income before income taxes	**43,942**	**31,920**	**14,897**
Income tax (expense) benefit	(2,144)	(885)	(141)
Net income (loss)	**41,798**	**31,035**	**14,756**
Net income (loss) attributable to non-controlling interest holders	221	179	104
Net income (loss) attributable to controlling stockholders	**$ 41,577**	**$ 30,856**	**$ 14,652**
Basic earnings per common share	$ 0.75	$ 0.57	$ 0.32
Diluted earnings per common share	$ 0.75	$ 0.57	$ 0.32
Weighted average common shares outstanding—basic	52,780,449	50,361,672	40,290,717
Weighted average common shares outstanding—diluted	52,780,449	50,361,672	40,290,717

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(DOLLARS IN THOUSANDS)

	Years Ended December 31,		
	2018	**2017**	**2016**
Net income (loss)	$ 41,798	$ 31,035	$ 14,756
Unrealized gain (loss) on available-for-sale securities, net of tax (provision) benefit of $0.1 million, $0.1 million and $0.0 million in 2018, 2017, and 2016 respectively	(1,177)	1,275	(828)
Unrealized gain (loss) on interest rate swaps, net of tax (provision) benefit of $0.0 million in 2018, 2017, and 2016	555	(1,233)	1,348
Comprehensive income (loss)	41,176	31,077	15,276
Less: Comprehensive income (loss) attributable to non-controlling interest holders	218	178	107
Comprehensive income (loss) attributable to controlling stockholders	**$ 40,958**	**$ 30,899**	**$ 15,169**

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(AMOUNTS IN THOUSANDS)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total
	Shares	Amount					
Balance at December 31, 2015	**37,011**	**$ 370**	**$ 482,431**	**$ (52,701)**	**$ (1,905)**	**$ 3,911**	**$ 432,106**
Net income				14,652		104	**14,756**
Unrealized gain (loss) on available-for-sale securities					(822)	(6)	**(828)**
Unrealized gain (loss) on interest rate swaps					1,339	9	**1,348**
Issued shares of common stock	9,096	91	176,148				**176,239**
Equity-based compensation			11,644	(750)		64	**10,958**
Issuance (repurchase) of vested equity-based compensation shares	386	4	(6,479)				**(6,475)**
Dividends and distributions				(53,414)		(351)	**(53,765)**
Balance at December 31, 2016	**46,493**	**$ 465**	**$ 663,744**	**$ (92,213)**	**$ (1,388)**	**$ 3,731**	**$ 574,339**
Net income				30,856		179	**31,035**
Unrealized gain (loss) on available-for-sale securities					1,269	6	**1,275**
Unrealized gain (loss) on interest rate swaps					(1,226)	(7)	**(1,233)**
Impact of adoption of ASU 2017-12				(280)	280		—
Issued shares of common stock	5,023	50	97,886				**97,936**
Equity-based compensation			11,065			64	**11,129**
Issuance (repurchase) of vested equity-based compensation shares	149	2	(1,712)				**(1,710)**
Dividends and distributions				(69,614)		(376)	**(69,990)**
Balance at December 31, 2017	**51,665**	**$ 517**	**$ 770,983**	**$ (131,251)**	**$ (1,065)**	**$ 3,597**	**$ 642,781**
Net income				41,577		221	**41,798**
Unrealized gain (loss) on available-for-sale securities					(1,171)	(6)	**(1,177)**
Unrealized gain (loss) on interest rate swaps					552	3	**555**
Issued shares of common stock	8,611	86	186,808				**186,894**
Equity-based compensation			10,715			57	**10,772**
Issuance (repurchase) of vested equity-based compensation shares	226	2	(3,055)				**(3,053)**
Redemption of OP units	8		(67)			(79)	**(146)**
Dividends and distributions				(73,531)		(370)	**(73,901)**
Balance at December 31, 2018	**60,510**	**$ 605**	**$ 965,384**	**$ (163,205)**	**$ (1,684)**	**$ 3,423**	**$ 804,523**

See accompanying notes.

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

	Years Ended December 31,		
	2018	**2017**	**2016**
Cash flows from operating activities			
Net income (loss)	$ 41,798	$ 31,035	$ 14,756
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	15,253	13,171	7,658
Equity-based compensation	10,066	11,304	10,054
Equity method investments	4,312	(7,746)	781
Non-cash gain on securitization	(25,728)	(28,915)	(10,912)
Gain on sale of receivables and investments	—	2,137	(2,015)
Changes in receivables held-for-sale	12,685	(3,338)	46,204
Loss on debt extinguishment	9,245	—	—
Changes in accounts payable and accrued expenses	6,882	(327)	3,312
Other	(15,720)	(5,604)	(12,983)
Net cash provided by operating activities	58,793	11,717	56,855
Cash flows from investing activities			
Equity method investments	(76,349)	(232,811)	(60,774)
Equity method distributions received	88,160	75,114	48,870
Proceeds from sales of equity method investments	35,849	6,044	—
Purchases of receivables	(292,834)	(111,161)	(300,511)
Principal collections from receivables	345,956	98,482	116,432
Proceeds from sales of receivables	—	78,857	39,978
Purchases of real estate	(27,549)	(170,982)	(17,693)
Purchases of investments	(25,308)	(22,115)	(31,335)
Principal collections from investments	5,252	3,733	1,768
Proceeds from sales of investments	—	—	13,914
Funding of escrow accounts	(34,980)	(37,613)	—
Withdrawal from escrow accounts	33,108	15,986	—
Other	(505)	(1,414)	(1,280)
Net cash provided by (used in) investing activities	50,800	(297,880)	(190,631)
Cash flows from financing activities			
Proceeds from credit facilities	171,783	302,612	307,900
Principal payments on credit facilities	(46,604)	(515,777)	(271,968)
Proceeds from issuance of non-recourse debt	69,255	609,332	97,660
Principal payments on non-recourse debt	(390,537)	(79,459)	(69,097)
Proceeds from issuance of convertible notes	—	150,000	—
Payments on deferred funding obligations	(73,946)	(124,785)	(65,741)
Net proceeds of common stock issuances	187,265	96,899	177,294
Payments of dividends and distributions	(70,989)	(68,234)	(49,481)
Other	(14,644)	(25,392)	(12,863)
Net cash provided by (used in) financing activities	(168,417)	345,196	113,704
Increase (decrease) in cash, cash equivalents, and restricted cash	(58,824)	59,033	(20,072)
Cash, cash equivalents, and restricted cash at beginning of period	118,177	59,144	79,216
Cash, cash equivalents, and restricted cash at end of period	**$ 59,353**	**$ 118,177**	**$ 59,144**
Interest paid	$ 72,078	$ 48,865	$ 37,858
Non-cash changes in deferred funding obligations (financing activity)	(6,973)	107,283	127,630
Non-cash changes in non-recourse debt (financing activity)	—	(5,959)	—
Non-cash changes in receivables and investments (investing activity)	(248)	(85,933)	(142,551)
Non-cash changes in residual assets (investing activity)	(25,827)	(28,777)	(10,912)

See accompanying notes.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

1. **The Company**

Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "Company") focuses on solutions that reduce carbon emissions and increase resilience to climate change by providing capital and specialized expertise to the leading companies in the energy efficiency, renewable energy and other sustainable infrastructure markets. Our goal is to generate attractive returns for our shareholders by investing in a diversified portfolio of assets and projects that generate long-term, recurring and predictable cash flows or cost savings from proven commercial technologies.

The Company and its subsidiaries are hereafter referred to as "we," "us," or "our." Our investments take various forms, including equity, joint ventures, lending or other financing transactions, as well as land ownership and typically benefit from contractually committed high credit quality obligors. We also generate on-going fees through gain-on-sale securitization transactions, advisory services and asset management. We refer to the income producing assets that we hold on our balance sheet as our "Portfolio." Our Portfolio may include:

- Equity investments in either preferred or common structures in unconsolidated entities;
- Government and commercial receivables, such as loans for renewable energy and energy efficiency projects;
- Real estate, such as land or other assets leased for use by sustainable infrastructure projects typically under long-term leases; and
- Investments in debt securities of renewable energy or energy efficiency projects.

We finance our business through cash on hand, borrowings under credit facilities and debt transactions, various asset-backed securitization transactions and equity issuances. We also generate fee income through securitizations and syndications, by providing broker/dealer services and by servicing assets owned by third parties. Some of our subsidiaries are special purpose entities that are formed for specific operations associated with investing in sustainable infrastructure receivables for specific long-term contracts.

Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "HASI." We have qualified as a real estate investment trust ("REIT") and also intend to operate our business in a manner that will maintain our exemption from registration as an investment company under the 1940 Act, as amended. 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 our assets.

2. **Summary of Significant Accounting Policies**

Basis of Presentation

The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("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. Actual results could differ from these estimates and such differences could be material. Certain amounts in the prior years have been reclassified to conform to the current year presentation. The consolidated financial statements include our accounts and controlled subsidiaries, including the Operating Partnership. 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* ("ASC 810"), references in this report to our earnings per share and our net income and stockholders' equity attributable to common stockholders do not include amounts attributable to non-controlling interests.

Consolidation and Equity Method Investments

We account for our investments in entities that are considered voting interest entities or variable interest entities ("VIEs") under ASC 810 and assess whether we should consolidate these entities on an ongoing basis. We have established various special purpose entities or securitization trusts for the purpose of securitizing certain receivables or other debt investments which are not consolidated in our financial statements as described in Securitization of Receivables below.

Substantially all of the activities of the special purpose entities that are formed for the purpose of holding our government and commercial receivables and investments on our balance sheet are closely associated with our activities. Based on our assessment, we determined that we have power over and receive the benefits of these special purpose entities; hence, we are the primary beneficiary and should consolidate these entities under the provisions of ASC 810.

We have made equity investments in various renewable energy projects. We share in the cash flows, income, and tax attributes according to a negotiated schedule (which typically does not correspond with our ownership percentages) and we typically receive a stated preferred return consisting of a priority distribution of all or a portion of the project's cash flows, and in some cases, tax attributes. Our renewable energy projects are typically owned in holding companies (using limited liability companies ("LLCs"), taxed as partnerships) where we partner with either the operator of the project or other institutional investors. Once our preferred return, if applicable, is achieved, the partnership "flips" and the operator of the project receives a larger portion of the cash flows through its interest in the holding company and we, along with any other institutional investors, will have an on-going residual interest.

These equity investments in renewable energy projects are accounted for under the equity method of accounting. Certain of our equity method investments were determined to be VIEs in which we are not the primary beneficiary, as we do not direct the significant activities of those entities in which we invest. Our maximum exposure to loss associated with the continued operation of the underlying projects in our equity method investments is limited to our recorded value of our investments. Under the equity method of accounting, the carrying value of these equity method investments is determined based on amounts we invested, adjusted for the equity in earnings or losses of the investee allocated based on the LLC agreement, less distributions received. For the LLC agreements which contain preferences with regard to cash flows from operations, capital events and liquidation, we reflect our share of profits and losses by determining the difference between our claim on the investee's book value at the beginning and the end of the period, which is adjusted for distributions received and contributions made. This claim is calculated as the amount we would receive (or be obligated to pay) if the investee were to liquidate all of its assets at recorded amounts determined in accordance with GAAP and distribute the resulting cash to creditors and investors in accordance with their respective priorities. This method is commonly referred to as the hypothetical liquidation at book value method or ("HLBV"). Any difference between the amount of our investment and the amount of underlying equity in net assets is generally amortized over the life of the assets and liabilities to which the difference relates. Cash distributions received from these equity method investments are classified as operating activities to the extent of cumulative HLBV earnings in our consolidated statements of cash flows. We have elected to recognize earnings from these investments one quarter in arrears to allow for the receipt of financial information.

We have also made an investment in a joint venture which holds land under solar projects that we have determined to be a voting interest entity. This investment entitles us to receive an equal percentage of both cash distributions and profit and loss under the terms of the LLC operating agreement. The investment is accounted for under the equity method of accounting with our portion of income being recognized in income (loss) from equity method investments in the period in which the income is earned. Cash distributions received from this equity method investment are classified as operating activities to the extent of cumulative earnings in our consolidated statements of cash flows. Our initial investment and additional cash distributions beyond that which is classified as operating activities are classified as investing activities in our consolidated statements of cash flows.

We evaluate on a quarterly basis whether our investments accounted for using the equity method have an other than temporary impairment ("OTTI"). An OTTI occurs when the estimated fair value of an investment is below the carrying value and the difference is determined to not be recoverable. This evaluation requires significant judgment regarding, but not limited to, the severity and duration of the impairment; the ability and intent to hold the securities until recovery; financial condition, liquidity, and near-term prospects of the issuer; specific events; and other factors.

Government and Commercial Receivables

Government and commercial receivables ("receivables"), include project loans and receivables. These receivables are separately presented in our balance sheet to illustrate the differing nature of the credit risk related to these assets. Unless otherwise noted, we generally have the ability and intent to hold our receivables for the foreseeable future and thus they are classified as held for investment. Our ability and intent to hold certain receivables may change from time to time depending on a number of factors, including economic, liquidity and capital market conditions. At inception of the arrangement, the carrying value of receivables 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. Receivables that are held for investment are carried, unless deemed impaired, at amortized cost, net of any unamortized acquisition premiums or discounts and include origination and acquisition costs, as applicable. Our initial investment and principal repayments of these receivables are classified as investing activities and the interest collected is classified as operating activities in our consolidated statements of cash flows. Receivables that we intend to sell in the short-term are classified as held-for-sale and are carried at the lower of amortized cost or fair value on our balance sheet. The net purchases and proceeds from receivables that we intend to sell at origination are classified as operating activities in our consolidated statements of cash flows, otherwise the net purchases and proceeds are classified as investing activities. Interest collected is classified as an operating activity in our consolidated statements of cash flows.

We evaluate our 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 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 receivable delinquent or impaired and place the receivable on non-accrual status and cease recognizing income from that receivable until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a 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 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 receivables are secured by energy efficiency and renewable energy infrastructure projects. Accordingly, we regularly evaluate the extent and impact of any credit deterioration associated with the performance and 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 ratio, 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 receivable is considered to be impaired, we will determine if an allowance should be recorded. We will record an allowance if the present value of expected future cash flows discounted at the receivable's contractual effective rate is less than its carrying value. This estimate of cash flows may include the currently estimated fair market value of the collateral less estimated selling costs if repayment is expected from the collateral. We charge off receivables against the allowance, if any, when we determine the unpaid principal balance is uncollectible, net of recovered amounts.

Real Estate

Real estate consists of land or other real estate and its related lease intangibles, net of any amortization. Our real estate is generally leased to tenants on a triple 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. Scheduled rental revenue typically varies during the lease term and thus rental 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. Expenses, if any, related to the ongoing operation of the leases where we are the lessor are charged to operations as incurred. Our initial investment is classified as investing activities and income collected for rental income is classified as operating activities in our consolidated statements of cash flows.

We typically record our real estate purchases as asset acquisitions that are recorded at cost, including acquisition and closing costs. When we record our real estate purchases as asset acquisitions we allocate our cost to each tangible and intangible asset acquired on a relative fair value basis.

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 is typically determined by management based on appraisals by a qualified appraiser. In determining the fair value of the identified intangibles of an acquired property, above-market and below-market in-place lease values are valued 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 renewal periods likely of being exercised by the lessee.

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, both of which are amortized over the term used to value the intangible. We also record, as appropriate, an intangible asset for in-place leases. The value of the leases in place at the time of the transaction is equal to the potential income lost if the leases were not in place. The amortization of this intangible occurs over the initial term unless management believes that it is likely that the tenant would exercise the renewal option, in which case the amortization would extend through the renewal period. If a lease were to be terminated, all unamortized amounts relating to that lease would be written off.

Investments

Investments are debt securities that meet the criteria of ASC 320,*Investments—Debt and Equity Securities*. We have designated our debt securities as available-for-sale and carry these securities at fair value on our balance sheet. Unrealized gains and losses, to the extent not considered to have an OTTI, on available-for-sale debt securities are recorded as a component of accumulated other comprehensive income ("AOCI") in equity on our balance sheet. Our initial investment and principal repayments of these investments are classified as investing activities and the interest collected is classified as operating activities in our consolidated statements of cash flows.

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 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, the value of any collateral and any 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 the OTTI in earnings. We determine the credit component using the difference between the security's 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 is recorded in AOCI.

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 interest income using the effective interest method.

Securitization of Receivables

We have established various special purpose entities or securitization trusts for the purpose of securitizing certain receivables or investments. We determined that the trusts used in securitizations are VIEs, as defined in ASC 810. 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 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 consolidated financial statements.

We account for transfers of receivables or investments to these securitization trusts as sales pursuant to ASC 860, *Transfers and Servicing*, when we have concluded 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. We have received true-sale-at-law opinions for all of our securitization trust structures and non-consolidation legal opinions for all but one legacy securitization trust structure that support our conclusion regarding the transferred receivables. When we sell receivables in securitizations, we generally retain interests in the form of servicing rights and residual assets, which we refer to as securitization assets.

Gain or loss on the 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. 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 current market discount rates commensurate with the risks involved. Cash flows related to our securitizations at origination are classified as operating activities in our consolidated statements of cash flows.

We initially account for all separately recognized servicing assets and servicing liabilities at fair value and subsequently measure such servicing assets and liabilities using the amortization method. Servicing assets and liabilities are amortized in proportion to, and over the period of, estimated net servicing income with servicing income recognized as earned. 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 accounted for as available-for-sale securities and carried at fair value on the consolidated balance sheets in other assets. We generally do not sell our residual assets. Our residual assets are evaluated for impairment on a quarterly basis. Interest income related to the residual assets is recognized using the effective interest rate method. If there is a change in the 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.

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 includes cash and cash equivalents set aside with certain lenders primarily to support deferred funding and other obligations outstanding as of the balance sheet dates. Restricted cash is reported as part of other assets in the consolidated balance sheets. Refer to Note 3 for disclosure of the balances of restricted cash included in other assets.

Convertible Notes

We have issued convertible senior notes that are accounted for in accordance with ASC 470-20, *Debt with Conversion and Other Options*, and ASC 815, *Derivatives and Hedging* ("ASC 815"). Under ASC 815, issuers of certain convertible debt instruments are generally required to separately account for the conversion option of the convertible debt instrument as either a derivative or equity, unless it meets the scope exemption for contracts indexed to, and settled in, an issuer's own equity. Since this conversion option is both indexed to our equity and can only be settled in our common stock, we have met the scope exemption, and therefore, we are not separately accounting for the embedded conversion option. The initial issuance and any principal repayments are classified as financing activities and interest payments are classified as operating activities in our consolidated statements of cash flows.

Derivative Financial Instruments

We utilize derivative financial instruments, primarily interest rate swaps, to manage, or hedge, our interest rate risk exposures associated with new debt issuances, to manage our exposure to fluctuations in interest rates on variable rate debt, and to optimize the mix of our fixed and floating-rate debt. In addition, we use forward-starting interest rate swap contracts to manage a portion of our interest rate exposure for anticipated refinancing of our long-term debts. Our objective is to reduce the impact of changes in interest rates on our results of operations and cash flows. The fair values of our interest rate swaps designated and qualifying as effective cash flow hedges are reflected in our consolidated balance sheets as a component of other assets (if in an unrealized asset position) or accounts payable, accrued expenses and other (if in an unrealized liability position) and in net unrealized gains and losses in AOCI. The cash settlements of our interest rate swaps are classified as operating activities in our consolidated statements of cash flows.

The interest rate swaps we use are designated as cash flow hedges and are considered highly effective in reducing our exposure to the interest rate risk that they are designated to hedge. This effectiveness is required in order to qualify for hedge accounting. Instruments that meet the required hedging criteria are formally designated as hedges at the inception of the derivative contract. Derivatives are recorded at fair value. If a derivative is designated as a cash flow hedge and meets the highly effective threshold, the change in the fair value of the derivative is recorded in AOCI, net of associated deferred income tax effects and is recognized in earnings at the same time as the hedged item, including as a result of the accrual of interest, or if there is a prepayment of the related debt. For any derivative instruments not designated as hedging instruments, changes in fair value would be recognized in earnings in the period that the change occurs. We assess, both at the inception of the hedge and on an ongoing basis, whether the derivatives designated as cash flow hedges are highly effective in offsetting the changes in cash flows of the hedged items. We do not hold derivatives for trading purposes.

Interest rate swap contracts contain a credit risk that counterparties may be unable to fulfill the terms of the agreement. We attempt to minimize that risk by evaluating the creditworthiness of our counterparties, who are limited to major banks and financial institutions, and do not anticipate nonperformance by the counterparties.

Income Taxes

We elected and qualified to be taxed as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013. We also have taxable REIT subsidiaries ("TRSs") which are taxed separately, and which will generally be subject to U.S. federal, state, and local income taxes as well as taxes of foreign jurisdictions, if any. To qualify as a REIT, we must meet on an ongoing basis a number of organizational and operational requirements, including a requirement that we currently distribute at least 90% of our REIT's net taxable income before dividends paid, excluding capital gains, to our stockholders. 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.

We account for income taxes under ASC 740, *Income Taxes* ("ASC 740") for our TRSs 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. We evaluate any deferred tax assets for valuation allowances based on an assessment of available evidence including sources of taxable income, prior years taxable income, any existing taxable temporary differences and our future investment and business plans that may give rise to taxable income. We treat any tax credits we receive from our investments in renewable energy projects as reductions of federal income taxes of the year in which the credit arises.

We apply ASC 740 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.

Equity-Based Compensation

In 2013, we adopted our 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 make equity or equity based awards as compensation to members of our senior management team, our independent directors, employees, advisors, consultants and other personnel under our 2013 Plan. Certain awards earned under the plan are based on achieving various performance targets, which are generally earned between 0% and 200% of the initial target, depending on the extent to which the performance target is met.

We record compensation expense for grants made under the 2013 Plan in accordance with ASC 718,*Compensation—Stock Compensation*. We record compensation expense for unvested grants that vest solely based on service conditions on a straight-line basis over the vesting period of the entire award based upon the fair market value of the grant on the date of grant. Fair market value for restricted common stock is based on our share price on the date of grant. For awards where the vesting is contingent upon achievement of certain performance targets, compensation expense is measured based on the fair market value on the grant date and is recorded over the requisite service period (which includes the performance period). Actual performance results at the end of the performance period determines the number of shares that will ultimately be awarded. We have also issued restricted stock units where the vesting is contingent upon service being provided for a defined period and certain market conditions being met. The fair value of these awards, as measured at the grant date, is recognized over the requisite service period, even if the market conditions are not met. The grant date fair value of these awards was developed by an independent appraiser using a Monte Carlo simulation.

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 grants under the 2013 Plan, if applicable) by the weighted-average number of shares of common stock outstanding during the period excluding the weighted average number of unvested grants under the 2013 Plan, if applicable ("participating securities" as defined in Note 12). Diluted earnings per share is calculated by dividing net income attributable to controlling stockholders (after consideration of the earnings allocated to unvested grants under the 2013 Plan, if applicable) by the weighted-average number of shares of common stock outstanding during the period plus other potential common stock instruments if they are dilutive. Other potentially dilutive common stock instruments include our unvested restricted stock, restricted stock units and convertible notes. The restricted stock and restricted stock units are included if they are dilutive using the treasury stock method. The treasury stock method assumes that theoretical proceeds received for future service provided is used to purchase treasury stock at our stock's average market price, which is deducted from the amount of stock included in the calculation. When unvested grants are dilutive, the earnings allocated to these dilutive unvested grants are not deducted from the net income attributable to controlling stockholders when calculating diluted earnings per share. The convertible notes are included if they are dilutive using the if-converted method. The if-converted method removes interest expense related to the convertible notes from the net income attributable to controlling stockholders and includes the weighted average shares over the period issuable upon conversion of the note. No adjustment is made for shares that are anti-dilutive during a period.

Segment Reporting

We make equity and debt investments in the energy efficiency, renewable energy, and other sustainable infrastructure markets. We manage our business as a single portfolio 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 ASU No. 2014-09,*Revenue from Contracts with Customers* (Topic 606), 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 replaces most existing revenue recognition guidance in GAAP and permits the use of either the retrospective or modified retrospective transition method. We have adopted ASU 2014-09 effective January 1, 2018, and have elected the modified retrospective transition method. The adoption of ASU 2014-09 did not have a material impact on our consolidated financial statements and related disclosures as the majority of our sources of revenue, e.g., investments in

receivables, debt and equity securities, land leasing, and the securitization of receivables are not within the scope of the new standard.

Leases

In February 2016, the FASB issued guidance codified in ASC Topic 842 ("Topic 842"), *Leases*, which amends the guidance in former ASC Topic 840, *Leases*. The main principle of Topic 842 requires lessees to recognize the assets and liabilities that arise from nearly all leases on the balance sheet. Lessor accounting remains mainly consistent with current guidance, with the majority of changes allowing for better alignment with the new lessee model and Topic 606. The standard is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. Topic 842 provides companies with a choice of transitioning to the new standard using one of two modified retrospective transition approaches; one that requires companies to adjust comparative periods upon adoption and another where the impact of adoption is reflected in retained earnings and comparative periods are not adjusted.

As a lessee, the classification of our leases is not expected to change, but we will be required to recognize a lease liability and corresponding right-of-use asset on our consolidated balance sheet for all of our leases. We have elected the package of practical expedients which allows us to not reassess (1) whether existing contracts contain leases, (2) the lease classification for existing leases, and (3) whether existing initial direct costs meet the new definition.

The accounting for leases where we are the lessor are expected to be relatively unchanged, apart from the narrower definition of initial direct costs that can be capitalized. The new lease standard defines initial direct costs as only the incremental costs of signing a lease.

We have adopted Topic 842 effective January 1, 2019 and have elected to apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. We have completed our assessment of the impacts of the new lease standard, and have determined that adoption will not have a material impact on our financial statements.

Credit Losses

In June 2016, the FASB issued ASU No. 2016-13,*Financial Instruments—Credit Losses—Measurement of Credit Losses on Financial Instruments* ("Topic 326"). Topic 326 significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Topic 326 will replace the “incurred loss” approach under existing guidance with an “expected loss” model for instruments measured at amortized cost, and require entities to record allowances for expected losses from available-for-sale debt securities rather than reduce the amortized cost, as currently required. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. Topic 326 is effective for fiscal years beginning after December 15, 2019 and is to be adopted through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. We are currently evaluating the impact the adoption of Topic 326 will have on our consolidated financial statements and related disclosures.

Other accounting standards updates issued before February 22, 2019 and effective after December 31, 2018, are not expected to have a material effect on our consolidated financial statements and related disclosures.

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 December 31, 2018 and December 31, 2017, only our residual assets related to our securitization trusts, interest rate swaps and investments, if any, were carried at fair value on the 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.
- 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.

The tables below illustrate the estimated fair value of our financial instruments on our balance sheet. Unless otherwise discussed below, fair value for our Level 2 and Level 3 measurements is measured using a discounted cash flow model, contractual terms and inputs which consist of base interest rates and spreads over base rates which are based upon market observation and recent comparable transactions. An increase in these inputs would result in a lower fair value and a decline would result in a higher fair value. Our convertible notes are valued using a market based approach and observable prices. The receivables held-for-sale, if any, are carried at the lower of cost or fair value.

	As of December 31, 2018		
	Fair Value	Carrying Value	Level
	(in millions)		
Assets			
Government receivables	$ 487	$ 497	Level 3
Commercial receivables	443	447	Level 3
Investments (1)	170	170	Level 3
Securitization residual assets (2)	71	71	Level 3
Liabilities			
Credit facilities	$ 259	$ 259	Level 3
Non-recourse debt (3)	835	852	Level 3
Convertible notes (3)	139	152	Level 2

(1) The amortized cost of our investments as of December 31, 2018, was $173 million.
(2) Included in other assets on the consolidated balance sheet.
(3) Fair value and carrying value exclude unamortized debt issuance costs.

	As of December 31, 2017		
	Fair Value	Carrying Value	Level
	(in millions)		
Assets			
Government receivables	$ 519	$ 519	Level 3
Commercial receivables	464	473	Level 3
Receivables held-for-sale	20	19	Level 3
Investments (1)	151	151	Level 3
Securitization residual assets (2)	45	45	Level 3
Liabilities			
Credit facilities (3)	$ 70	$ 70	Level 3
Non-recourse debt (3)	1,239	1,238	Level 3
Convertible notes (3)	156	152	Level 2

(1) The amortized cost of our investments as of December 31, 2017, was $153 million.
(2) Included in other assets on the consolidated balance sheet.
(3) Fair value and carrying value exclude unamortized debt issuance costs.

Investments

The following table reconciles the beginning and ending balances for our Level 3 investments that are carried at fair value on a recurring basis:

	For the year ended December 31,	
	2018	2017
	(in millions)	
Balance, beginning of period	$ 151	$ 58
Purchases of investments	25	78
Payments on investments	(5)	(3)
Transfers to investments [1]	—	17
Unrealized gains (losses) on investments recorded in OCI	(1)	1
Balance, end of period	$ 170	$ 151

(1) In 2017, certain receivables on our balance sheet became securities and thus we classify them as investments available for sale.

The following table illustrates our investments in an unrealized loss position:

	Estimated Fair Value		Unrealized Losses [1]	
	Securities with a loss shorter than 12 months	Securities with a loss longer than 12 months	Securities with a loss shorter than 12 months	Securities with a loss longer than 12 months
	(in millions)			
December 31, 2018	$ 82	$ 67	$ 1	$ 3
December 31, 2017	26	46	1	2

(1) Loss position is due to interest rates movements. We have the intent and ability to hold these investments until a recovery of fair value.

In determining the fair value of our investments, we used a range of interest rate spreads of approximately1% to 4% based upon comparable transactions as of December 31, 2018 and 2017.

Interest Rate Swap Agreements

The fair values of the derivative financial instruments are determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. We have determined that the significant inputs, such as interest yield curves and discount rates, used to value our derivatives fall within Level 2 of the fair value hierarchy and that the credit valuation adjustments associated with our counterparties and our own credit risk utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of our or our counterparties default. As of December 31, 2018, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy. See Note 8 for further information on our interest rate swap agreements.

Non-recurring Fair Value Measurements

Our financial statements may include non-recurring fair value measurements related to acquisitions and non-monetary transactions, if any. Assets acquired in a business combination are recorded at their fair value. We may use third party valuation firms to assist us with developing our estimates of fair value.

Concentration of Credit Risk

Government and commercial receivables, investments and leases consist primarily of U.S. federal 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 and the method of rating. Additionally, our investments are collateralized by projects concentrated in certain geographic regions throughout the United States. We have structural credit protections to mitigate our risk exposure and, in most cases, the projects are insured for estimated physical loss which helps to mitigate the possible risk from these concentrations. As

described above, we do not believe we have a significant credit exposure to our interest rate swap providers. We had cash deposits that are subject to credit risk as shown below:

	December 31,	
	2018	2017
	(in millions)	
Cash deposits	$ 21	$ 57
Restricted cash deposits (included in other assets)	38	61
Total cash deposits	$ 59	$ 118
Amount of cash deposits in excess of amounts federally insured	$ 57	$ 116

4. **Non-Controlling Interest**

Units of limited partnership interests in the Operating Partnership ("OP units") that are owned by limited partners other than us are included in non-controlling interest on our consolidated balance sheets. The outstanding OP units held by outside limited partners represent less than 1% of our outstanding OP units and are redeemable by the limited partners for cash, or at our option, for a like number of shares of our common stock. We exchanged 7,406 OP units for shares of common stock during the year ended December 31, 2018. No OP units were exchanged for either cash or shares of our common stock during the year ended December 31, 2017. The non-controlling interest holders are generally allocated their pro rata share of income, other comprehensive income and equity transactions.

5. **Securitization of Receivables**

The following summarizes certain transactions with our securitization trusts:

	As of and for the year ended December 31,		
	2018	2017	2016
		(in millions)	
Gains on securitizations	$ 33	$ 21	$ 17
Purchase of receivables securitized	688	466	532
Proceeds from securitizations	721	487	549
Residual and servicing assets included in other assets	72	46	19
Cash received from residual and servicing assets	3	4	2

In connection with securitization transactions, we typically retain servicing responsibilities and residual assets. In certain instances, we receive annual servicing fees of up to 0.20% of the outstanding balance. We may periodically make servicer advances, which are subject to credit risk. Included in other assets in our consolidated balance sheets are our servicing assets at amortized cost, our residual assets at fair value, and our servicing advances at cost, if any. 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 investors and the securitization trusts have no recourse to our other assets for failure of debtors to pay when due. In computing gains and losses on securitizations, we use the same discount rates we use for the fair value calculation of residual assets, which are determined based on a review of comparable market transactions including Level 3 unobservable inputs which consist of base interest rates and spreads over base rates. Depending on the nature of the transaction risks, the discount rate ranged from 4% to 7%.

As of December 31, 2018 and December 31, 2017, our Managed Assets totaled $5.3 billion and $4.7 billion, respectively, of which $3.3 billion and $2.7 billion, respectively, were securitized assets held in unconsolidated securitization trusts. There were no securitization credit losses in the years ended December 31, 2018, 2017, or 2016. As of December 31, 2018, there was approximately $2.6 million in payments from certain debtors to the securitization trusts that was greater than 90 days past due. The securitized assets generally consist of receivables from contracts for the installation of energy efficiency and other technologies in facilities owned by, or operated for or by, federal, state or local government entities where the ultimate obligor is the government. The contracts may have guarantees of energy savings from third party service providers, which typically are entities rated investment grade by an independent rating agency. Based on the nature of the receivables and experience-to-date, we do not currently expect to incur any credit losses of our residual interests related to the receivables sold.

6. **Our Portfolio**

As of December 31, 2018, our Portfolio included approximately $2.0 billion of equity method investments, receivables, real estate and investments on our balance sheet. The equity method investments represent our non-controlling equity investments in renewable energy projects and land. The receivables and investments are typically collateralized by 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 wind and solar projects.

The following is an analysis of our Portfolio as of December 31, 2018:

	Investment Grade					
	Government [1]	Commercial Investment Grade [2]	Commercial Non-Investment Grade [3]	Subtotal, Debt and Real Estate	Equity Method Investments	Total
			(dollars in millions)			
Equity investments in renewable energy projects	$ —	$ —	$ —	$ —	$ 449	$ 449
Receivables [4]	498	148	299	945	—	945
Real estate [5]	—	365	—	365	22	387
Investments	102	68	—	170	—	170
Total	**$ 600**	**$ 581**	**$ 299**	**$ 1,480**	**$ 471**	**$ 1,951**
% of Debt and real estate portfolio	41%	39%	20%	100%	N/A	N/A
Average remaining balance [6]	$ 12	$ 6	$ 14	$ 9	$ 16	$ 10

(1) Transactions where the ultimate obligor is the U.S. federal government or state or local governments where the obligors are rated investment grade (either by an independent rating agency or based upon our internal credit analysis). This amount includes $384 million of U.S. federal government transactions and $216 million of transactions where the ultimate obligors are state or local governments. Transactions may have guaranties of energy savings from third party service providers, which typically are entities rated investment grade by an independent rating agency.

(2) Transactions where the projects or the ultimate obligors are commercial entities that have been rated investment grade (either by an independent rating agency or based on our internal credit analysis). Of this total, $9 million of the transactions have been rated investment grade by an independent rating agency.

(3) Transactions where the projects or the ultimate obligors are commercial entities that either have ratings below investment grade (either by an independent rating agency or using our internal credit analysis) or where the nature of the subordination in the asset causes it to be considered non-investment grade. This category of assets includes $273 million of mezzanine loans made in 2018 on a non-recourse basis to special purpose subsidiaries of residential solar companies where the nature of the subordination causes it to be considered non-investment grade. These loans are secured by residential solar assets and we rely on certain limited indemnities, warranties, and other obligations of the residential solar companies or their other subsidiaries. This amount also includes $18 million of transactions made in 2018 where the projects or the ultimate obligors are commercial entities that have ratings below investment grade using our internal credit analysis, and $8 million of loans on non-accrual status. See Receivables and Investments below for further information.

(4) Total reconciles to the total of the government receivables and commercial receivables lines of the consolidated balance sheets.

(5) Includes the real estate and the lease intangible assets (including those held through equity method investments) from which we receive scheduled lease payments, typically under long-term triple net lease agreements.

(6) Excludes approximately 170 transactions each with outstanding balances that are less than $1 million and that in the aggregate total $64 million.

Equity Method Investments

We have made non-controlling equity investments in a number of renewable energy projects as well as in a joint venture that owns land with a long-term triple net lease agreement to several solar projects that we account for as equity method investments. As of December 31, 2018, we held the following equity method investments:

Investment Date	Investee	Carrying Value
		(in millions)
Various	2007 Vento I, LLC	$ 92
Various	Northern Frontier Wind, LLC	75
December 2015	Buckeye Wind Energy Class B Holdings, LLC	72
December 2018	3D Engie, LLC	49
October 2016	Invenergy Gunsight Mountain Holdings, LLC	37
Various	Helix Fund I, LLC	26
Various	Other transactions	120
	Total equity method investments	$ 471

In December 2018, we sold for approximately $24 million an equity interest in a portfolio of behind-the-meter solar projects which we acquired in 2016 for $27 million, and from which we had received cash of $10 million since we made our investment. At the time of sale, we had a carrying value of approximately $29 million due to the income allocations from HLBV in excess of cash received. Thus, we recognized a non-cash loss of approximately $5 million on the sale which is included in our income from equity method investments on our consolidated statement of operations.

An underlying solar project associated with one of our equity method investments located in the U.S. Virgin Islands was materially damaged in the 2017 hurricanes. Although there can be no assurance in this regard, we continue to believe that the project's insurance as well as other existing assets in the project will be sufficient to recover our carrying value of approximately $10 million (which includes non-cash HLBV allocations that have occurred since the damaging event).

As of December 31, 2017, we held a $25 million investment in a wind project that was purchased as part of a portfolio at a significant discount to the project's book value, in part, due to the lack of a power purchase agreement and some operational issues. The sponsor recorded a material write-down of the project in its 2017 annual financial statements due to these issues and this write-down is recognized in our financial statements using HLBV as an $8 million non-cash loss in the first quarter of 2018 as we account for this investment one quarter in arrears. There have been no additional write-downs of the project recorded by us subsequent to the first quarter of 2018. The sponsor is presently reviewing the project for any additional impairment for their 2018 annual financial statements as a result of these issues. If the sponsor records an impairment, the resulting HLBV impact will be recorded in our financial statements in the first quarter of 2019. Although there can be no assurance in this regard, we believe there are sufficient cash flows to recover the carrying value of our investment as of December 31, 2018.

Based on an evaluation of our equity method investments, inclusive of these projects, we determined that no OTTI had occurred as of December 31, 2018, 2017, or 2016.

Receivables and Investments

The following table provides a summary of our anticipated maturity dates of our receivables and investments and the weighted average yield for each range of maturities as of December 31, 2018:

	Total	Less than 1 year	1-5 years	5-10 years	More than 10 years
			(dollars in millions)		
Receivables					
Maturities by period	$ 945	$ 1	$ 17	$ 57	$ 870
Weighted average yield by period	6.6%	3.4%	6.0%	4.8%	6.7%
Investments					
Maturities by period	$ 170	$ 64	$ —	$ 13	$ 93
Weighted average yield by period	4.2%	3.6%	—%	4.1%	4.7%

In November 2018, approximately $307 million of senior investment grade loans we had made to certain subsidiaries of the SunPower Corporation were repaid. We used $250 million of this repayment to repay the related non-recourse debt, and we received pre-payment fees of approximately $9 million, and we recognized approximately $4 million of unamortized loan fees

which are included in interest income. These amounts were offset by approximately $9 million of costs recorded in interest expense relating to the debt repayment.

In 2018, we provided mezzanine loans with a carrying value as of December 31, 2018 of approximately $273 million to subsidiaries of residential solar providers owning portfolios of residential solar systems and our loans are subordinate to senior debt and other minority tax equity investments. The cash flows from the residential solar assets, in most cases, are first applied to the minority tax equity investments and the senior debt and then to our mezzanine loan. In the event there is not sufficient cash for payment on the mezzanine loan, the interest is paid-in-kind. Due to the mezzanine nature of these loans, we have classified these loans as a non-investment grade commercial receivable on our balance sheet.

Our non-investment grade assets also consist of two commercial receivables with a combined total carrying value of approximately $8 million as of December 31, 2018 that we consider impaired and that are on non-accrual status. These receivables, which we acquired as part of our acquisition of American Wind Capital Company, LLC in 2014, are assignments of land lease payments from two wind projects (the "Projects") which became past due in the second quarter of 2017. We have been informed by the owner of the Projects that the Projects are experiencing a decline in revenue. The owner of the Projects is seeking to terminate the lease. In July 2017, we filed a legal claim against the owners of the Projects in order to protect our interests in these Projects and the amounts due to us under the land lease assignments. In January 2018, we received a $1.6 million payment from the Projects and we continue to pursue our legal claims. We have received no payments since January 2018. Although there can be no assurance in this regard, we believe that we have the ability to recover the carrying value from the Projects based on projected cash flows, and thus have not recorded an allowance for losses as of December 31, 2018.

Other than discussed above, we had no receivables or investments that were impaired or on non-accrual status as of December 31, 2018 or 2017. There was no provision for credit losses or troubled debt restructurings as of December 31, 2018 or December 31, 2017.

Real Estate

Our real estate is leased to renewable energy projects, typically under long-term triple net leases with expiration dates that range between the years 2033 and 2057 under the initial terms and 2047 and 2080 if all renewals are exercised. The components of our real estate portfolio as of December 31, 2018 and 2017, were as follows:

	December 31,	
	2018	2017
	(in millions)	
Real estate		
Land	$ 269	$ 247
Lease intangibles	104	99
Accumulated amortization of lease intangibles	(8)	(5)
Real estate	$ 365	$ 341

In the first quarter of 2017, we purchased a portfolio of over 4,000 acres of land and related long-term triple net leases to over 20 individual solar projects with investment grade off-takers at a cost of approximately $145 million. Approximately $21 million (1,100 acres) of this real estate portfolio was acquired through an equity method investment in a joint venture that we account for under the equity method of accounting and approximately $56 million of our purchase price was allocated to intangible lease assets on a relative fair value basis. This transaction was accounted for as an asset acquisition.

As of December 31, 2018, the future amortization expense of the intangible assets and the future minimum rental income payments under our land lease agreements are as follows:

Year Ending December 31,	Future Amortization Expense	Minimum Rental Payments
	(in millions)	
2019	$ 3	$ 22
2020	3	22
2021	3	22
2022	3	22
2023	3	23
Thereafter	81	788
Total	$ 96	$ 899

Deferred Funding Obligations

In accordance with the terms of purchase agreements relating to certain equity method investments, receivables, and investments, payments of the purchase price are scheduled to be made over time and as a result, we have recorded deferred funding obligations of $72 million and $153 million as of December 31, 2018 and December 31, 2017, respectively. We have secured financing for, or placed in escrow, approximately $68 million and $90 million of the deferred funding obligations as of December 31, 2018 and December 31, 2017, respectively. As of December 31, 2017, we had pledged approximately $29 million of our equity method investments as collateral for a deferred funding obligation of $20 million, which was fully funded in 2018.

The outstanding deferred funding obligations to be paid are as follows:

Year Ending December 31,	Future Payments
	(in millions)
2019	$ 51
2020	16
2021	5
Total	**$ 72**

7. **Credit Facilities**

Senior Credit Facilities

In December of 2018, we entered into two senior revolving credit facilities, a representation-based loan agreement (the “Rep-Based Facility") and an approval-based loan agreement (the “Approval-Based Facility”) with various lenders, which mature in July 2023. The Rep-Based Facility is a senior secured revolving limited-recourse credit facility with a maximum outstanding principal amount of $250 million and the Approval-Based Facility is a senior secured revolving recourse credit facility with a maximum outstanding principal amount of $200 million. The proceeds from these credit facilities were used to pay off our existing senior secured revolving credit facility, which was terminated upon repayment.

The following table provides additional detail on our senior credit facilities as of December 31, 2018:

	Rep-Based Facility	Approval-Based Facility
	(dollars in millions)	
Outstanding balance	$ 134	$ 125
Value of collateral pledged to credit facility	188	164
Weighted average short-term borrowing rate	3.9%	4.2%

Loans under the Rep-Based Facility bear interest at a rate equal to one-month LIBOR plus1.40% or 1.85% (depending on the type of collateral) or, in certain circumstances, the Federal Funds Rate plus 0.40% or 0.85% (depending on the type of collateral) and loans under the Approval-Based Facility bear interest at a rate equal to one-month LIBOR plus 1.50% or 2.00% (depending on the type of collateral) or, under certain circumstances, the Federal Funds Rate plus0.50% or 1.00% (depending on the type of collateral).

Inclusion of any financings of the Company in the borrowing base as collateral under the Rep-Based Facility will be subject to the Company making certain agreed upon representations and warranties. We have provided a limited guaranty covering the accuracy of the representations and warranties, and the repayment by the borrowers of certain amounts relating to any such financing is the exclusive remedy with respect to any breach of such representations and warranties under the Rep-Based Facility. Inclusion of any financings of the Company in the borrowing base as collateral under the Approval-Based Facility will be subject to the approval of a super-majority of the lenders, and we have provided a guaranty of the Approval-Based Facility.

The amount eligible to be drawn under the facilities is based on a discount to the value of each included investment based upon the type of collateral or an applicable valuation percentage. The sum of included financings after taking into account the applicable valuation percentages and any changes in the valuation of the financings in accordance with the Loan Agreements determines the borrowing capacity, subject to the overall facility limits described above. Under the Rep-Based Facility, the applicable valuation percentage is 85% in the case of a land-lease obligor or a U.S. Federal Government obligor, 80% in the case of an institutional obligor or 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 Approval-Based Facility, the applicable valuation percentage is 85% in the case of certain approved financings and67% or such other percentage as the administrative agent may prescribe, including in the case of one asset, an agreed-upon amortization schedule. The stated minimum maturities to be paid under the amortization schedule to meet the required target loan balances as of December 31, 2018 are as follows:

	Future Minimum Maturities	
For the year ended December 31,	*(in millions)*	
2019	$	10
2020		8
2021		8
2022		8
2023		15
Total	$	49

We have approximately $8 million of remaining unamortized costs associated with the credit facilities that have been capitalized and included in other assets on our balance sheet and are being amortized on a straight-line basis over the term of the credit facilities. Administrative fees are payable annually to the administrative agent under each of the Loan Agreements and letter agreements with the administrative agent. Under the Rep-Based Facility, we pay to the administrative agent on each monthly payment date, for the benefit of the lenders, certain availability fees for the Rep-Based Facility equal to 0.60%, divided by 365 or 366, as applicable, multiplied by the excess of the available total commitments under the Rep-Based Loan Agreement over the actual amount borrowed under the Rep-Based Facility.

The credit facilities contain terms, conditions, covenants, and representations and warranties that are customary and typical for a transaction of this nature, including 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. We were in compliance with our covenants as of December 31, 2018.

The credit facilities also include customary events of default, including the existence of a default in more than50% of underlying financings. The occurrence of an event of default may result in termination of the credit facilities, acceleration of amounts due under the credit facilities, and accrual of default interest at a rate of LIBOR plus 2.00% in the case of both the Rep-Based Facility and the Approval-Based Facility.

Term Loans

In August 2018, we borrowed $40 million from a financial institution under a recourse credit facility that was repaid in November 2018. In February 2017, we borrowed $102 million under a recourse credit facility that was repaid in October 2017.

8. **Long-term Debt**

Non-recourse debt

We have outstanding the following asset-backed non-recourse debt and bank loans:

	Outstanding Balance as of December 31,		Interest Rate	Maturity Date	Anticipated Balance at Maturity	Carrying Value of Assets Pledged as of December 31,		Description of Assets Pledged
	2018	2017				2018	2017	
					(dollars in millions)			
HASI Sustainable Yield Bond 2013-1	$ 55	$ 67	2.79%	December 2019	$ 51	$ 76	$ 86	Receivables
ABS Loan Agreement [1]	—	81	—%	—	—	—	79	Equity interest in Strong Upwind Holdings I, LLC
HASI Sustainable Yield Bond 2015-1A	90	94	4.28%	October 2034	—	135	137	Receivables, real estate and real estate intangibles
HASI Sustainable Yield Bond 2015-1B Note	13	14	5.41%	October 2034	—	135	137	Class B Bond of HASI Sustainable Yield Bond 2015-1
2017 Credit Agreement	112	180	4.12%	January 2023	—	151	226	Equity interests in Strong Upwind Holdings I, II, III, and IV LLC, and Northern Frontier Wind, LLC
HASI SYB Loan Agreement 2015-2	32	36	6.89% [2]	December 2023	—	72	68	Equity interest in Buckeye Wind Energy Class B Holdings LLC, related interest rate swap
HASI SYB Loan Agreement 2015-3 [3]	—	143	—%	—	—	—	171	Residential solar receivables, related interest rate swaps
HASI SYB Loan Agreement 2016-1 [3]	—	121	—%	—	—	—	143	Residential solar receivables, related interest rate swaps
HASI SYB Trust 2016-2	77	81	4.35%	April 2037	—	81	86	Receivables
2017 Master Repurchase Agreement	56	35	5.13% [2]	July 2019	53	67	38	Receivables and investments
HASI ECON 101 Trust	133	134	3.57%	May 2041	—	137	140	Receivables and investments
HASI SYB Trust 2017-1	159	162	3.86%	March 2042	—	208	209	Receivables, real estate and real estate intangibles
Other non-recourse debt [4]	125	90	3.15% - 7.45%	2019 to 2046	18	178	162	Receivables
Debt issuance costs	(17)	(27)						
Non-recourse debt [5]	$ 835	$ 1,211						

(1) This non-recourse debt agreement was re-financed through our credit facilities in 2018.

(2) Interest rate represents the current period's LIBOR based rate plus the spread. Also see the interest rate swap contracts shown in the table below, the value of which are not included in the book value of assets pledged or the interest rate of the debt instrument.

(3) These non-recourse debt agreements were repaid in the fourth quarter of 2018 from proceeds of prepayment of the related assets. See Note 6. Our Portfolio for further information.

(4) Other non-recourse debt consists of various debt agreements used to finance certain of our receivables for their term. Debt service payment requirements, in a majority of cases, are equal to or less than the cash flows received from the underlying receivables.

(5) The total collateral pledged against our non-recourse debt was $1,105 million and $1,545 million as of December 31, 2018 and December 31, 2017, respectively. In addition, $35 million and $59 million of our restricted cash balance was pledged as collateral to various non-recourse loans as of December 31, 2018 and December 31, 2017

We have pledged the financed assets, and typically our interests in one or more parents or subsidiaries of the borrower that are legally separate bankruptcy remote special purpose entities as security for the non-recourse debt. There is no recourse for repayment of these obligations other than to the applicable borrower and any collateral pledged as security for the obligations. Generally, the assets and credit of these entities are not available to satisfy any of our other debts and obligations. The creditors can only look to the borrower, the cash flows of the pledged assets and any other collateral pledged, to satisfy the

debt and we are not otherwise liable for nonpayment of such cash flows. The debt agreements contain terms, conditions, covenants, and representations and warranties that are customary and typical for transactions of this nature, including 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. The agreements also include customary events of default, the occurrence of which may result in termination of the agreements, acceleration of amounts due, and accrual of default interest. We typically act as servicer for the debt transactions. We are in compliance with all covenants as of December 31, 2018 and 2017.

We have guaranteed the accuracy of certain of the representations and warranties and other obligations of certain of our subsidiaries under certain of the debt agreements and provided an indemnity against certain losses from "bad acts" of such subsidiaries including fraud, failure to disclose a material fact, theft, misappropriation, voluntary bankruptcy or unauthorized transfers. In the case of the debt secured by certain of our renewable energy equity interests, we have also guaranteed the compliance of our subsidiaries with certain tax matters and certain obligations if our joint venture partners exercise their right to withdraw from our partnerships.

In connection with several of our non-recourse debt borrowings, we have entered into the following interest rate swaps that are designated as cash flow hedges:

			Notional Value as of December 31,		Fair Value as of December 31,		
	Base Rate	Hedged Rate	2018	2017	2018	2017	Term
			(dollars in millions)				
HASI SYB Loan Agreement 2015-2	3 month LIBOR	1.52%	$ —	$ 31	$ —	$ 0.1	December 2015 to December 2018
HASI SYB Loan Agreement 2015-2	3 month LIBOR	2.55%	29	29	—	(0.2)	December 2018 to December 2024
HASI SYB Loan Agreement 2015-3 (1)	1 month LIBOR	2.34%	—	119	—	—	November 2020 to August 2028
HASI SYB Loan Agreement 2016-1 (1)	3 month LIBOR	1.88%	—	120	—	1.1	November 2016 to November 2021
HASI SYB Loan Agreement 2016-1 (1)	3 month LIBOR	2.73%	—	107	—	(1.1)	November 2021 to October 2032
2017 Master Repurchase Agreement	3 month LIBOR	2.42%	32	32	0.3	—	August 2019 to March 2033
Total			$ 61	$ 438	$ 0.3	$ (0.1)	

(1) These interest rate swaps were financially settled in November 2018.

The fair values of our interest rate swaps designated and qualifying as effective cash flow hedges are reflected in our consolidated balance sheets as a component of other assets (if in an unrealized gain position) or accounts payable, accrued expenses and other (if in an unrealized loss position) and in net unrealized gains and losses in AOCI. As of December 31, 2018 and 2017, all of our derivatives were designated as hedging instruments which were deemed to be effective. The following is a presentation of the total balance of the financial statement line item related to our hedging activities in our consolidated statements of operations and the impact of our hedges that is included in this total balance.

	Year ended December 31,		
	2018	2017	2016
	(in thousands)		
Total interest expense	$ 76,874	$ 65,472	$ 45,241
Impact of hedging	(8,034) (1)	972	1,316

(1) There was an approximately $8 million gain on the settlement of these instruments that is classified in interest expense in our consolidated statement of operations.

The stated minimum maturities of non-recourse debt as of December 31, 2018, were as follows:

Year Ending December 31,	Future minimum maturities
	(in millions)
2019	$ 139
2020	24
2021	26
2022	27
2023	61
Thereafter	575
Total minimum maturities	852
Deferred financing costs, net	(17)
Total non-recourse debt	$ 835

The stated minimum maturities of non-recourse debt above include only the mandatory minimum principal payments. To the extent there are additional cash flows received from our investments in renewable energy projects serving as collateral for certain of our non-recourse debt facilities, these additional cash flows are required to be used to make additional principal payments against the respective debt. Any additional principal payments made due to these provisions may impact the anticipated balance at maturity of these financings.

Convertible Senior Notes

We issued $150 million aggregate principal amount ($145 million net of issuance costs) of 4.125% convertible senior notes due September 1, 2022. Holders may convert any of their convertible notes into shares of our common stock at the applicable conversion rate at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date, unless the convertible notes have been previously redeemed or repurchased by us. The convertible notes are senior unsecured obligations of ours and have an initial conversion rate of 36.7107 shares for each $1,000 principal amount of convertible notes which is equal to a total of approximately 5.5 million shares with an initial conversion price of $27.24. The conversion rate is subject to adjustment for dividends declared above $0.33 per share per quarter and certain other events that may be dilutive to the holder. As of December 31, 2018, none of these dilutive events have occurred and the conversion rate remains at the initial rate. In February of 2019, our board of directors approved an increase to the dividend, which will change the conversion rate to an amount to be determined on the ex-dividend date of April 3, 2019.

Following the occurrence of a make-whole fundamental change, we will, in certain circumstances, increase the conversion rate for a holder that converts its convertible notes in connection with such make-whole fundamental change. There are no cash settlement provisions in the convertible notes and the conversion option can only be settled through physical delivery of our common stock. Additionally, upon the occurrence of certain fundamental changes involving us, holders of the convertible notes may require us to redeem all or a portion of their convertible notes for cash at a price of 100% of the principal amount outstanding, plus accrued and unpaid interest.

We have a redemption option to call the convertible notes prior to maturity (i) on or after March 1, 2022 and (ii) at any time if such a redemption is deemed reasonably necessary to preserve our qualification as a REIT. The redemption price will be equal to the principal of the notes being redeemed, plus accrued and unpaid interest. In the event of redemption after March 1, 2022, there will be an additional make-whole premium paid to the holder of the redeemed notes unless the redemption is deemed reasonably necessary to preserve our qualification as a REIT.

The following table presents a summary of the components of the convertible notes:

	As of and for the year ended December 31,	
	2018	2017
	(in millions)	
Principal	$ 150	$ 150
Accrued interest	2	3
Less:		
Unamortized financing costs	(4)	(5)
Carrying value of convertible notes	$ 148	$ 148
Interest expense	$ 7	$ 3

9. **Commitments and Contingencies**

Leases

We lease office space at our headquarters in Annapolis, Maryland under an operating lease entered into in 2011 and amended in 2013 and 2017 to add additional 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 this lease commenced in 2012 and incremental payments related to the amendments commenced in 2014 and 2017. The lease expires in 2027.

Rent expense was less than $1 million for each of the years ended December 31, 2018, 2017, and 2016, respectively. Future gross minimum lease payments are less than $1 million per year during the remaining term of the lease.

Litigation

The nature of our operations exposes us to the risk of claims and litigation in the normal course of our business. We are not currently subject to any legal proceedings that are probable of having a material adverse effect on our financial position, results of operations or cash flows.

Guarantees to other transaction participants

In connection with some of our transactions, we have provided certain limited representations, warranties, covenants and/or provided an indemnity against certain losses resulting from our own actions, including related to certain investment tax credits. As of December 31, 2018, there have been no such actions resulting in claims against the Company.

10. **Income Tax**

We recorded a tax expense of approximately $2 million, for the year ended December 31, 2018, $1 million for the year ended December 31, 2017 and $0 million for the year ended 2016, related to the activities of our TRS. The federal income tax expense and benefits recorded were determined using a rate of 21% in 2018 and 35% in 2017 and 2016. Our deferred tax assets and liabilities were measured using a federal rate of 21% in 2018. Below is a reconciliation between the statutory rates of our TRS entities as of December 31, 2018 and our effective tax rates for the years ended December 31:

	2018	2017	2016
Federal statutory income tax rate	21 %	35 %	35 %
Reduction in rate resulting from:			
Share-based compensation	(1)%	(8)%	(373)%
Equity method investments	(11)%	(83)%	(847)%
Other	2 %	6 %	9 %
Valuation allowance	2 %	49 %	1,176 %
TCJA rate revaluation adjustment	— %	1 %	**— %**
Effective tax rate	13 %	— %	— %

We recorded a deferred tax liability of$2 million and $1 million as of December 31, 2018 and 2017, respectively, related to the activities of our TRS. Our deferred tax liability is included in accounts payable, accrued expenses and other on our consolidated balance sheet. Deferred income taxes represent the tax effect from continuing operations of the differences between the book and tax basis of assets and liabilities. Deferred tax assets (liabilities) include the following as of December 31:

	2018	2017
	(in millions)	
Receivables basis difference	$ (9)	$ (8)
Equity method investments	(31)	(22)
Gross deferred tax liabilities	**(40)**	**(30)**
Net operating loss (NOL) carryforwards	34	27
Tax credit carryforwards	12	10
Share-based compensation	3	3
Valuation allowance	(11)	(11)
Gross deferred tax assets	**38**	**29**
Net deferred tax liabilities	**$ (2)**	**$ (1)**

We have unused NOLs of $142 million and tax credits of approximately $12 million. Approximately, $132 million of our NOLs will begin to expire in2034. If our TRS entities were to experience a change in control as defined in Section 382 of the Internal Revenue Code, the TRS's ability to utilize NOL in the years after the change in control would be limited. Similar rules and limitation may apply for state tax purposes as well. Of our NOLs, $10 million were added in 2018, which are not subject to expiration but are limited to 80% of taxable income.

We have no examinations in progress, none are expected at this time, and years 2015 through 2018 are openAs of December 2018 and 2017, we had no uncertain tax positions. Our policy is to recognize interest expense and penalties related to income tax matters as a component of general and administrative expense. There were no accrued interest and penalties as of December 31, 2018 and 2017, and no interest and penalties were recognized during the years endedDecember 31, 2018, 2017, or 2016.

For federal income tax purposes, the cash dividends paid for the years endedDecember 31, 2018 and 2017 are characterized as follows:

	2018	2017
Common distributions		
Ordinary income	—%	15%
Return of capital	100%	85%
	100 %	**100 %**

U.S. Federal Income Tax Legislation

The TCJA, which was signed into law on December 22, 2017, made significant changes to the U.S. federal income tax laws applicable to businesses and their owners, including REITs and their stockholders. Certain key provisions of the TCJA impact us and could impact us in the future , include the following:

- *Reduced tax rates* - the highest individual U.S. federal income tax rate on ordinary income is reduced from 39.6% to 37% (through taxable years ending in 2025), and the maximum corporate income tax rate is reduced from 35% to 21%. In addition, individuals, trust, and estates that own our stock are permitted to deduct up to 20% of dividends received from us (other than dividends that are designated as capital gain dividends or qualified dividend income), generally resulting in an effective maximum U.S. federal income tax rate of 29.6% on such dividends (through taxable years ending in 2025). Further, the amount that we are required to withhold on distributions to non-U.S. stockholders that are treated as attributable to gains from our sale or exchange of U.S. real property interests is reduced from 35% to 21%.
- *Net operating losses* - we and our TRSs may not use net operating losses generated beginning in 2018 to offset more than 80% of our or our TRSs' taxable income (prior to the application of the dividends paid deduction). Net operating losses generated beginning in 2018 can be carried forward indefinitely but can no longer be carried back.
- *Limitation on interest deductions* - the amount of net interest expense that certain taxpayers, including us and our TRSs, may deduct for a taxable year is limited to the sum of (i) the taxpayer's business interest income for the taxable year, and (ii) 30% of the taxpayer's "adjusted taxable income" for the taxable year For taxable years beginning before January 1, 2022, adjusted taxable income means earnings before interest, taxes, depreciation, and amortization ("EBITDA"); for taxable years beginning on or after January 1, 2022, adjusted taxable income is limited to earnings before interest and taxes ("EBIT").
- *Alternative Minimum Tax* - the corporate alternative minimum tax is eliminated.
- *Income accrual* - we and our TRSs are required to recognize certain items of income for U.S. federal income tax purposes no later than we would report such items on our financial statements. Earlier recognition of income for U.S. federal income tax purposes could impact our ability to satisfy the REIT distribution requirements. This provision generally applies to taxable years beginning after December 31, 2017, but will apply with respect to income from a debt instrument having "original issue discount" for U.S. federal income tax purposes only for taxable years beginning after December 31, 2018.
- *Tax credits* - the TCJA modifies the availability and the use by certain taxpayers of certain tax credits for investments in certain wind, solar, and other renewable energy assets.

11. **Equity**

Dividends and Distributions

Our board of directors declared the following dividends in 2017 and 2018:

Announced Date	Record Date	Pay Date	Amount per share
3/15/2017	4/5/2017	4/13/2017	$ 0.33
6/1/2017	7/6/2017	7/13/2017	0.33
9/12/2017	10/5/2017	10/16/2017	0.33
12/12/2017	12/26/2017 (1)	1/11/2018	0.33
2/21/2018	4/4/2018	4/12/2018	0.33
5/31/2018	7/5/2018	7/12/2018	0.33
9/12/2018	10/3/2018	10/11/2018	0.33
12/12/2018	12/26/2018 (1)	1/10/2019	0.33

(1) These dividends are treated as distributions in the following year for tax purposes.

We have an effective universal shelf registration statement registering the potential offer and sale, from time to time and in one or more offerings, of any combination of our common stock, preferred stock, depositary shares, debt securities, warrants and rights (collectively referred to as the "securities"). We may offer the securities directly, through agents, or to or through underwriters by means of ordinary brokers' transactions on the NYSE or otherwise at market prices prevailing at the time of

sale or at negotiated prices and may include “at the market” (“ATM”) offerings or sales “at the market,” to or through a market maker or into an existing trading market on an exchange or otherwise. We completed the following public offerings (including ATM issuances) of our common stock in 2017 and 2018:

Closing Date	Common Stock Offerings	Shares Issued [1]	Price Per Share	Net Proceeds [2]
		(amounts in millions, except per share amounts)		
1/20/17 to 2/2/17	ATM	0.197	$ 19.18 [3]	$ 4
3/10/2017	Public Offering	3.450	18.73 [4]	64
5/17/17 to 6/22/17	ATM	1.376	22.71 [3]	31
5/18/18 to 6/25/18	ATM	0.834	18.76 [3]	15
11/15/18 to 12/11/2018	ATM	2.777	23.37 [3]	64
12/17/2018	Public Offering	5.000	21.60 [4]	108

(1) Includes shares issued in connection with the exercise of the underwriters’ option to purchase additional shares.
(2) Net proceeds from the offerings are shown after deducting underwriting discounts, commissions and other offering costs.
(3) Represents the average price per share at which investors in our ATM offerings purchased our shares.
(4) Represents the price per share at which the underwriters in our public offerings purchased our shares.

Awards of Shares of Restricted Common Stock and Restricted Stock Units under our 2013 Plan

We have 5,135,043 awards authorized for issuance under our 2013 Plan. As of December 31, 2018, we have issued awards with service, performance and market conditions and have 1,829,609 awards remaining available for issuance. During the year ended December 31, 2018, our board of directors awarded employees and directors 630,234 shares of restricted stock and restricted stock units that vest from 2019 to 2023. As of December 31, 2018, as it relates to previously issued restricted stock awards with performance conditions, we have concluded that it is probable that the performance conditions will be met.

A summary of equity-based compensation expense and the fair value of shares vested on the vesting date for the years ended December 31, 2018, 2017, and 2016 is as follows:

	2018	2017	2016
	(in millions)		
Equity-based compensation expense	$ 10	$ 11	$ 10
Fair value of awards vested on vesting date	7	5	14

The total unrecognized compensation expense related to awards of shares of restricted stock and restricted stock units was approximately $12 million as of December 31, 2018. We expect to recognize compensation expense related to these awards over a weighted-average term of approximately 2 years. A summary of the unvested shares of restricted common stock that have been issued is as follows:

	Restricted Shares of Common Stock	Weighted Average Share Price	Value
			(in millions)
Ending Balance—December 31, 2015	1,248,069	$ 15.16	$ 18.9
Granted	661,055	18.62	12.3
Vested	(716,264)	14.03	(10.0)
Forfeited	(11,188)	17.25	(0.2)
Ending Balance—December 31, 2016	1,181,672	$ 17.76	$ 21.0
Granted	452,864	19.06	8.6
Vested	(230,424)	14.41	(3.3)
Forfeited	(4,519)	18.72	(0.1)
Ending Balance—December 31, 2017	1,399,593	$ 18.73	$ 26.2
Granted	454,106	19.72	9.0
Vested	(370,072)	18.88	(7.0)
Forfeited	(96,871)	18.92	(1.8)
Ending Balance—December 31, 2018	1,386,756	$ 19.00	$ 26.4

A summary of the unvested shares of restricted stock units that have market based vesting conditions that have been issued is as follows:

	Restricted Stock Units	Weighted Average Share Price	Value
			(in millions)
Ending Balance—December 31, 2016	—	$ —	$ —
Granted	257,284	18.99	4.9
Vested	(376)	18.99	—
Forfeited	(1,202)	18.99	—
Ending Balance—December 31, 2017	255,706	$ 18.99	$ 4.9
Granted	176,128	20.24	3.5
Vested	(20,368)	18.99	(0.4)
Forfeited	(18,318)	19.05	(0.3)
Ending Balance—December 31, 2018	393,148	$ 19.55	$ 7.7

12. **Earnings per Share of Common Stock**

Both the net income or loss attributable to the non-controlling OP units and the non-controlling limited partners' outstanding OP units have been excluded from the basic earnings per share and the diluted earnings per share calculations attributable to common stockholders. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are included in the computation of earnings per share pursuant to the two-class method.

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

	Year ended December 31,		
Numerator:	**2018**	**2017**	**2016**
	(dollars in millions, except share and per share data)		
Net income (loss) attributable to controlling stockholders and participating securities	$ 41.6	$ 30.9	$ 14.7
Less: Dividends paid on participating securities	(1.8)	(1.9)	(1.8)
Undistributed earnings attributable to participating securities	—	—	—
Net income (loss) attributable to controlling stockholders	$ 39.8	$ 29.0	$ 12.9
Denominator:			
Weighted-average number of common shares—basic	52,780,449	50,361,672	40,290,717
Weighted-average number of common shares—diluted	52,780,449	50,361,672	40,290,717
Basic earnings per common share	$ 0.75	$ 0.57	$ 0.32
Diluted earnings per common share	$ 0.75	$ 0.57	$ 0.32
Other Information:			
Weighted-average number of OP units	281,106	284,992	284,992
Unvested restricted common stock outstanding (i.e., participating securities)	1,386,756	1,399,593	1,181,672

13. **Equity Method Investments**

We have non-controlling unconsolidated equity investments in renewable energy projects. During the years ended December 31, 2018, 2017, and 2016 we recognized income (loss) of $22.2 million, $22.3 million, and $6.1 million respectively, from our equity method investments. We describe our accounting for the non-controlling equity investments in Note 2.

The following is a summary of the consolidated financial position and results of operations of the significant entities accounted for using the equity method.

	Buckeye Wind Energy Class B Holdings, LLC	MM Solar Parent LLC	Helix Fund I, LLC	Other investments [1]	Total
Balance Sheet					
As of September 30, 2018					
Current assets	$ 4	$ 4	$ 1	$ 248	$ 257
Total assets	280	84	27	3,713	4,104
Current liabilities	3	5	—	108	116
Total liabilities	13	33	—	955	1,001
Members' equity	267	51	27	2,758	3,103
As of December 31, 2017					
Current assets	3	3	1	130	137
Total assets	286	85	28	2,866	3,265
Current liabilities	1	5	—	70	76
Total liabilities	11	36	—	319	366
Members' equity	275	49	28	2,547	2,899
Income Statement					
For the nine months ended September 30, 2018					
Revenue	10	8	2	197	217
Income from continuing operations	(5)	4	1	19	19
Net income	(5)	4	1	19	19
For the year ended December 31, 2017					
Revenue	12	11	2	248	273
Income from continuing operations	(8)	4	1	(49)	(52)
Net income	(8)	4	1	(49)	(52)
For the year ended December 31, 2016					
Revenue	13	12	—	283	308
Income from continuing operations	(6)	5	—	23	22
Net income	(6)	5	—	23	22

(1) Represents aggregated financial statement information for investments not separately presented.

14. **Defined Contribution Plan**

We administer a 401(k) savings plan, a defined contribution plan covering substantially all of our employees. Employees in the plan may contribute up to the maximum annual IRS limit before taxes via payroll deduction. Under the plan, we provide a dollar for dollar match for the first 4% of the employee's contributions and a $0.50 per dollar match for the next 2% of employee contributions. We contributed less than $1 million under the plan for the years ended December 31, 2018, 2017, and 2016, respectively.

15. **Selected Quarterly Financial Data (Unaudited)**

The following table summarizes our quarterly financial data which, in the opinion of management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our results of operations (Amounts for the individual quarters when aggregated may not agree to the full year due to rounding):

	For the Three-Months Ended			
	(in millions, except for per share data)			
	March 31, 2018	**June 30, 2018**	**Sept. 30, 2018**	**Dec. 31, 2018**
Total revenue	$ 27,908	$ 35,826	$ 34,883	$ 39,192
Total expenses	26,833	28,903	29,041	31,251
Income before equity method investments	1,075	6,923	5,842	7,941
Income (loss) from equity method investments	(2,285)	10,583	11,671	2,192
Income (loss) before income taxes	(1,210)	17,506	17,513	10,133
Income tax (expense) benefit	(18)	(153)	(939)	(1,034)
Net income (loss)	(1,228)	17,353	16,574	9,099
Net income (loss) attributable to controlling stockholders	$ (1,223)	$ 17,262	$ 16,483	$ 9,055
Basic and diluted earnings (loss) per common share	$ (0.03)	$ 0.32	$ 0.30	$ 0.16

	For the Three-Months Ended			
	(in millions, except for per share data)			
	March 31, 2017	**June 30, 2017**	**Sept. 30, 2017**	**Dec. 31, 2017**
Total revenue	$ 23,800	$ 28,275	$ 26,402	$ 27,095
Total expenses	20,697	24,159	25,298	25,788
Income before equity method investments	3,103	4,116	1,104	1,307
Income (loss) from equity method investments	4,171	8,377	6,876	2,866
Income (loss) before income taxes	7,274	12,493	7,980	4,173
Income tax (expense) benefit	(32)	(83)	(5)	(766)
Net income (loss)	7,242	12,410	7,975	3,407
Net income (loss) attributable to controlling stockholders	$ 7,199	$ 12,340	$ 7,933	$ 3,383
Basic and diluted earnings (loss) per common share	$ 0.14	$ 0.23	$ 0.14	$ 0.06

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

A review and evaluation was performed by our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Form 10-K. Based on that review and evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our current disclosure controls and procedures, as designed and implemented, were effective. 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 our company to disclose material information otherwise required to be set forth in our periodic reports.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of our company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, our management used criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013 Framework).

Based on this assessment, our management believes that, as of December 31, 2018, our internal control over financial reporting was effective based on those criteria.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of our company's internal control over financial reporting. This report appears on page 73 of this annual report on Form 10-K.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding our directors, executive officers and certain other matters required by Item 401 of Regulation S-K is incorporated herein by reference to our definitive proxy statement relating to our annual meeting of stockholders (the "Proxy Statement"), to be filed with the SEC within 120 days after December 31, 2018.

The information regarding compliance with Section 16(a) of the Exchange Act required by Item 405 of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

The information regarding our Code of Business Conduct and Ethics required by Item 406 of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

The information regarding certain matters pertaining to our corporate governance required by Item 407(c)(3), (d)(4) and (d)(5) of Regulation S-K is incorporated by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

Item 11. Executive Compensation

The information regarding executive compensation and other compensation related matters required by Items 402 and 407(e)(4) and (e)(5) of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The tables on equity compensation plan information and beneficial ownership of our Company required by Items 201(d) and 403 of Regulation S-K are incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information regarding transactions with related persons, promoters and certain control persons and director independence required by Items 404 and 407(a) of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

Item 14. Principal Accountant Fees and Services

The information concerning principal accounting fees and services and the Audit Committee's pre-approval policies and procedures required by Item 14 is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2018.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Documents filed as part of the report

The following documents are filed as part of this Form 10-K in Part II, Item 8 and are incorporated by reference:

(a)(1) Financial Statements:

See index in Item 8—"Financial Statements and Supplementary Data," filed herewith for a list of financial statements.

(3) Exhibits Files:

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 Amendment No. 3 to the Registrant's Form S-11 (No. 333-186711), filed on April 12, 2013)
4.2	Indenture, dated as of August 22, 2017, between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K (No. 001-35877), filed on August 22, 2017)
4.3	First Supplemental Indenture, dated as of August 22, 2017, between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and U.S. Bank National Association, as Trustee (including the form of 4.125% Convertible Senior Note due 2022) (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K (No. 001-35877), filed on August 22, 2017)
10.1	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.5 to Amendment No. 3 to the Registrant's Form S-11 (No. 333-186711), filed on April 12, 2013)
10.2	Amended and Restated 2013 Hannon Armstrong Sustainable Infrastructure Capital, Inc. Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended March 31, 2017 (No. 001-35877), filed on May 4, 2017)
10.3	Restricted Stock Award Agreement dated April 23, 2013 between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Jeffrey W. Eckel (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.4	Form of Restricted Stock Award Agreement (Executive Officers) (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.5	Form of Restricted Stock Award Agreement (Non-employee Directors) (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.6	Amended and Restated Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended March, 31 2017 (No. 001-35877), filed on May 4, 2017)
10.7	Registration Rights Agreement, dated April 23, 2013, by and among Hannon Armstrong Sustainable Infrastructure Capital, Inc. and the parties listed on Schedule I thereto (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)

10.8	Employment Agreement, dated April 17, 2013, by and between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Jeffrey Eckel (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.9	Employment Agreement, dated April 17, 2013, by and between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and J. Brendan Herron, Jr. (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.10	Employment Agreement, dated April 17, 2013, by and between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Steven L. Chuslo (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.11	Employment Agreement, dated April 17, 2013, by and between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Nathaniel J. Rose (incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.12	Letter Agreement, dated as of April 5, 2018, between M. Rhem Wooten, Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Hannon Armstrong Capital Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended March 31, 2018 (No. 001-35877), filed on May 4, 2018)
10.13	Employment Agreement, dated April 17, 2013, by and between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Daniel McMahon (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended June 30, 2015 (No. 001-35877), filed on August 7, 2015)
10.14	Agreement and Plan of Merger, dated as of April 23, 2013, by and among Hannon Armstrong Sustainable Infrastructure Capital, Inc., HA Merger Sub I LLC, HA Merger Sub III LLC, MissionPoint HA Parallel Fund, LLC, MissionPoint ES Parallel Fund I, L.P., MissionPoint HA Parallel Fund I Corp. and MissionPoint HA Parallel Fund, L.P. (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.15	Agreement and Plan of Merger, dated as of April 23, 2013, by and among Hannon Armstrong Sustainable Infrastructure Capital, Inc., HA Merger Sub II LLC, HA Merger Sub III LLC, MissionPoint HA Parallel Fund II, LLC, MissionPoint ES Parallel Fund II, L.P. MissionPoint HA Parallel Fund II Corp. and MissionPoint HA Parallel Fund, L.P. (incorporated by reference to Exhibit 10.13 to the Registrant's Form 10-Q for the quarter ended June 30, 2013 (No. 001-35877), filed on August 9, 2013)
10.16	Trust Agreement relating to HASI SYB 2013-1 Trust, dated as of December 20, 2013, among HASI SYB 2013-1 Trust, HASI SYB I LLC, HAT SYB I LLC, The Bank of New York Mellon as Trustee and Hannon Armstrong Sustainable Infrastructure Capital, Inc. (incorporated by reference to Exhibit 10.26 to the Registrant's Form 10-K for the year ended December 31, 2013 (No. 001-35877), filed on March 18, 2014)
10.17	Note Purchase Agreement, dated as of December 20, 2013, among HASI SYB 2013-1 Trust, HASI SYB I LLC, HAT SYB I LLC, The Bank of New York Mellon as Trustee and the purchaser of the notes thereunder (incorporated by reference to Exhibit 10.27 to the Registrant's Form 10-K for the year ended December 31, 2013 (No. 001-35877), filed on March 18, 2014)
10.18	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended June 30, 2014 (No. 001-35877), filed on August 14, 2014)
10.19	Agreement for Professional Services, dated as of May 28, 2014, by and among Hannon Armstrong Capital, LLC and AWCC Capital, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended June 30, 2014 (No. 001-35877), filed on August 14, 2014)
10.2	Indenture, dated as of September 30, 2015, among HASI SYB Trust 2015-1, the Bank of New York Mellon and Hannon Armstrong Capital, LLC (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the quarter ended September 30, 2015 (No. 001-35877), filed on November 5, 2015)
10.21	Bond Purchase Agreement (Class A), dated as of September 30, 2015, among HASI SYB Trust 2015-1, HA Land Lease Holdings, LLC and the purchasers named therein (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q for the quarter ended September 30, 2015 (No. 001-35877), filed on November 5, 2015)

10.22	Contribution and Sale Agreement, dated as of September 30, 2015, among HASI SYB Trust 2015-1, and HA Land Lease Holdings, LLC (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q for the quarter ended September 30, 2015 (No. 001-35877), filed on November 5, 2015)
10.23	Indemnity Agreement, dated as of September 30, 2015, by Hannon Armstrong Sustainable Infrastructure Capital, Inc. in favor of the Bank of New York Mellon (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-Q for the quarter ended September 30, 2015 (No. 001-35877), filed on November 5, 2015)
10.24	Employment Agreement, dated March 15, 2017, by and between Hannon Armstrong Sustainable Infrastructure Capital, Inc. and Charles Melko (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended March 31, 2017 (No. 001-35877), filed on May 4, 2017)
10.25	Form of Amended and Restated Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.57 to the Registrant's Form 10-K (No. 001-35877) for the year ended December, 31, 2017, filed on February 23, 2018)
10.26*	Loan Agreement (Rep-Based), dated as of December 13, 2018 by and among certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and each lender from time to time party thereto
10.27*	Loan Agreement (Approval-Based), data as of December 13, 2018, by and among certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and each lender from time to time party thereto
10.28*	Limited Guaranty (Rep-Based), dated as of December 13, 2018, by the Company and Hannon Armstrong Capital, LLC
10.29*	Guaranty (Approval-Based), dated as of December 13, 2018, by the Company and Hannon Armstrong Capital, LLC
21.1*	List of subsidiaries of Hannon Armstrong Sustainable Infrastructure Capital, Inc.
23.1*	Consent of Ernst & Young LLP for Hannon Armstrong Sustainable Infrastructure Capital, Inc.
24.1*	Power of Attorney (included on signature page)
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 Officer pursuant to section 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes—Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 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.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, 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: February 22, 2019

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

/s/ Charles W. Melko
Charles W. Melko
Chief Accounting Officer and Senior Vice President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jeffrey W. Eckel and Charles W. Melko, and each of them, with full power to act without the other, such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Form 10-K and any and all amendments thereto, and to file the same, with exhibits and schedules thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures		Title	
By:	/s/ Jeffrey W. Eckel Jeffrey W. Eckel	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	February 22, 2019
By:	/s/ J. Brendan Herron J. Brendan Herron	Chief Financial Officer and Executive Vice President (Principal Financial Officer)	February 22, 2019
By:	/s/ Charles W. Melko Charles W. Melko	Chief Accounting Officer and Senior Vice President (Principal Accounting Officer)	February 22, 2019
By:	/s/ Rebecca B. Blalock Rebecca B. Blalock		February 22, 2019
By:	/s/ Teresa M. Brenner Teresa M. Brenner		February 22, 2019
By:	/s/ Mark J. Cirilli Mark J. Cirilli		February 22, 2019
By:	/s/ Charles M. O'Neil Charles M. O'Neil		February 22, 2019
By:	/s/ Richard J. Osborne Richard J. Osborne		February 22, 2019
By:	/s/ Steven G. Osgood Steven G. Osgood		February 22, 2019

EXECUTION VERSION

LOAN AGREEMENT (REP-BASED)
dated as of December 13, 2018

among

TITAN BORROWER (HASI) LLC,

and

TITAN BORROWER (HAT I) LLC,

and

TITAN BORROWER (HAT II) LLC,

as Borrowers,

EACH LENDER PARTY HERETO

BANK OF AMERICA, N.A.,

as Administrative Agent, an Issuing Bank and Coordinating Lead Arranger

CIT BANK, N.A.,

COÖPERATIEVE RABOBANK, U.A., NEW YORK BRANCH,

M&T BANK, and

SUMITOMO MITSUI BANKING CORPORATION,

as Joint Lead Arrangers

and

EACH OTHER ISSUING BANK PARTY HERETO

$250,000,000 Senior Secured Credit Facility

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LOAN AGREEMENT (REP-BASED)

This LOAN AGREEMENT (REP-BASED) (this "Agreement") dated as of December 13, 2018 (the "Closing Date"), is entered into by and among TITAN BORROWER (HASI) LLC, a Delaware limited liability company ("Borrower HASI"), TITAN BORROWER (HAT I) LLC, a Delaware limited liability company ("Borrower HAT I"), TITAN BORROWER (HAT II) LLC, a Delaware limited liability company ("Borrower HAT II", and together with Borrower HASI and Borrower HAT I, each a "Borrower" and collectively, the "Borrowers"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender") and Bank of America, N.A., as Administrative Agent (together with its successors and permitted assigns in such capacity, the "Administrative Agent"), and Issuing Bank, and the other Issuing Banks party hereto from time to time.

RECITALS:

WHEREAS, capitalized terms used in these Recitals and not defined shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, Borrowers have requested that Lenders provide a senior secured revolving credit facility in the amount of $250,000,000, and as such facility may be further modified or amended in accordance with the terms herein, the "Loan Facility") to Borrowers to finance certain Approved Financings to be owned and managed by each Borrower, and Lenders are willing to provide the Loan Facility on the terms and conditions set forth in this Agreement;

WHEREAS, in support of Borrowers' obligations under the Loan Facility, Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("HA INC"), a Maryland corporation, Hannon Armstrong Capital, LLC, a Maryland limited liability company ("HA LLC", and together with HA INC, each a "Guarantor" and together the "Guarantors"), have provided a guarantee pursuant to that certain Guaranty, dated as of the date hereof, in form and substance satisfactory to the Administrative Agent (the "Guaranty");

WHEREAS, (i) each Borrower has secured the Obligations under the Loan Facility by granting to Collateral Agent, for the benefit of the Secured Parties, a Lien on their respective assets and Property, and (ii) each Pledgor has secured the Obligations under the Loan Facility by granting to Collateral Agent, for the benefit of the Secured Parties, a Lien on their respective Equity Interests in the Borrowers; and

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; RULES OF CONSTRUCTION

1.1. Definitions. As used herein, the following terms have the meanings set forth below:

"Acceptance" with respect to Approved Financings (G&I), the date on which the State/Local Obligor, U.S. Federal Government Obligor or Institutional Obligor, as applicable, has issued a certificate of acceptance or delivered other written evidence indicating the its acceptance of the energy savings measures provided by the applicable Underlying Borrower.

"Account" as defined in the UCC, including all rights to payment for goods sold or leased, or for services rendered.

"Account Debtor" means a Person obligated under an Account, Chattel Paper or General Intangible.

"Additional Collateral Event" means a request by Borrowers to Administrative Agent to include any Approved Financing not already included in the Borrowing Base in the calculation of the Borrowing Base in accordance with Section 6.2 without a corresponding Advance being made hereunder.

"Adjusted Borrowing Base" means as of any date of determination, an amount equal to the lesser of (a) the BB Aggregate Value as of such date and (b) the Total Commitments then in effect.

"Administrative Agent" has the meaning set forth in the preamble hereto.

"Administrative Agent's Office" means Administrative Agent's address and, as appropriate, account as set forth on Appendix 1, or such other address or account as Administrative Agent may from time to time notify to Borrower Agent and Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit E-3 or any other form approved by Administrative Agent.

"Advance" means the making of a Loan or advance by Lenders to Borrowers under this Agreement.

"Adverse Proceeding" means (a) any pending or, to any Obligor's Knowledge, threatened (in writing) action, suit, proceeding, hearing (in each case, whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Borrower) at law or in equity, or before or by any Governmental Authority, domestic or foreign that: (i) relates to the Eligible Collateral or

to any transaction contemplated by any of the Loan Documents; (ii) relates to the legality, validity or enforceability of any of the Loan Documents; or (iii) any Obligor or, to any Obligor's Knowledge, any other Material Underlying Financing Participant (including any Intellectual Property Claim and Environmental Notice or Environmental Release), that in the case of (i), (ii) or (iii) above, either singly or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect or (b) any Insolvency Proceeding.

"Affiliate" means with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent" means each of (a) Administrative Agent, (b) Collateral Agent, and (c) any other Person appointed under the Loan Documents to serve in an agent or similar capacity.

"Agent Indemnitees" means each Agent and its respective officers, directors, employees, Affiliates, agents and attorneys.

"Agent Parties" has the meaning set forth in Section 14.3.3.

"Agent Professionals" means attorneys, accountants, appraisers, auditors, business valuation experts, engineers or consultants, turnaround consultants, and other professionals and experts retained by an Agent, in each case excluding personnel who are employees of such Agent.

"Aggregate DD Amount" means, with respect to a Delayed Draw Financing, the BB Nominal Value (or, if not the BB Nominal Value, the amount to be agreed between the Administrative Agent and Borrowers) for such Delayed Draw Financing, as such amount is set forth in the Underlying Financing Specification for such Delayed Draw Financing.

"Aggregate Delayed Draw Exclusion Amount" means, as of any date of determination, the lesser of (x) the sum of all Delayed Draw Exclusion Amounts for all Delayed Draw Financings and (y) 20% of the Total Commitments (or such other amount as the Administrative Agent (at the direction of the Required Lenders) and the Borrower Agent may mutually agree).

"Aggregate Usage" means as of any date of determination, (a) the Outstanding Amount *plus* (b) the aggregate Unfunded Financing Commitment Amount, *plus* (c) the L/C Obligations, *minus* (d) the Aggregate Delayed Draw Exclusion Amount.

"Agreement" has the meaning set forth in the recitals hereto.

"Anti-Bribery and Anti-Corruption Laws" means Applicable Laws and regulations addressing prohibitions against improper payments and bribery of officers, directors, employees, agents and affiliates of Governmental Authorities, business partners or other commercial parties, particularly local laws in effect in the jurisdiction in which the Project operates, including without limitation the Corrupt Practices Laws.

"Anti-Terrorism and Money Laundering Laws" means Applicable Laws and regulations, including, but not limited to, the Anti-Terrorism Order, (a) prohibiting transactions with Persons who (i) commit, threaten to commit, or support terrorism, (ii) engage in transactions or conduct operations that are illegal, nefarious, and/or criminal in nature, and/or (iii) participate in monetary transactions in property derived from specified unlawful activity, or (b) otherwise relating to prohibitions in connection with the illegal laundering of the proceeds of any criminal activity and preventing the funds, proceeds and revenue of any Borrower, any Guarantor and their respective Affiliates from being used in connection with the advancement of criminal activity, including without limitation the Patriot Act and all "know your customer" rules and other applicable regulations.

"Anti-Terrorism Order" means the Patriot Act and Executive Order No. 13,224, 66 Fed. Reg. 49,079 (2001), issued by the President of the United States of America (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism).

"Applicable Interest Rate" has the meaning set forth in Section 3.1.1(a).

"Applicable Law" means, with respect to any Person all laws, rules, regulations and governmental guidelines applicable to such Person or such Person's, conduct, transaction, agreement or other matter in question, including all applicable statutory law, common law and equitable principles, and all provisions of constitutions, treaties, statutes, rules, regulations, orders and decrees of applicable Governmental Authorities.

"Applicable L/C Rate" has the meaning set forth in Section 2.4.13.

"Applicable Percentage" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the outstanding Total Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in Section 4.2. If the commitment of each Lender to make Loans and the Issuing Banks to issue Letters of Credit have been terminated pursuant to Section 2.6 or if the outstanding Commitments have expired, then the "Applicable Percentage" of each Lender shall be determined based on the "Applicable Percentage" of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1.1.1 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Valuation Percentage" means as of any date of determination, for each Approved Financing with (a) a Land Lease Entity, 85%, (b) a Trust Obligor, 80%, (c) a U.S. Federal Government Obligor, 85% or, with respect to any Delinquent U.S. Federal Government Contract, the applicable percentage set forth in such definition, (d) an Institutional Obligor, 80%, (e) a State/Local Obligor, 80%, (f) with respect to any Zero Value Approved Financing, 0%, (g) Collateral consisting entirely of Cash or Cash Equivalents over which the Collateral Agent has a First Priority Lien, 100% or (h) such other percentage that may be prescribed by Administrative Agent (at the direction of the

Required Lenders in their discretion) pursuant to the terms of this Agreement and with respect to the initial valuation, as set forth in the applicable Underlying Financing Specification; provided that, in each case, (i) (A) on the two (2) year anniversary of the date on which an Approved Financing becomes part of or is joined to the Borrowing Base as Eligible Collateral, the Applicable Valuation Percentage for such Approved Financing shall be reduced by an increment of 5% (i.e. if the Applicable Valuation Percentage was 85%, it would be 80% after such reduction) and (B) on each subsequent one (1) year anniversary thereafter, the Applicable Valuation Percentage of such Approved Financing shall be reduced by an additional increment of 5% until the Applicable Valuation Percentage of such Approved Financing is reduced to 0% and (ii) as such percentages may be increased or reduced from time to time in accordance with the terms of this Agreement.

"Approval Process" has the meaning set forth in Section 7.1.2.

"Approved Additional Collateral Event" means Administrative Agent approval of a Borrowing Base Certificate in connection with an Additional Collateral Event.

"Approved Bank" has the meaning set forth in the Approved Bank Side Letter.

"Approved Bank Side Letter" means that certain letter agreement entered into on the date hereof by and between the Administrative Agent (on behalf of the Secured Parties), the Borrowers and the Guarantors (as supplemented or modified from time to time as mutually agreed by the Administrative Agent (at the direction of the Required Lenders (or all Lenders to the extent Approved Banks are being removed from such list)) and Borrower Agent).

"Approved Commitment" has the meaning set forth in Section 4.3.4.

"Approved Commitment Conditions" has the meaning set forth in Section 4.3.4.

"Approved Consultant" means a consultant appointed for purposes of preparing a Valuation Report on or after the date on which a determination is made that an Approved Financing is a Non-Fundamental Distressed Asset in accordance with Section 8.1.3(f), such consultant to be appointed in the following manner: (a) first the Borrowers and Administrative Agent shall identify and agree on three (3) such consultants and (b) once such three (3) consultants have been identified to the Lenders, the Required Lenders shall, within five (5) days thereafter, select one of such three (3) consultants, and such consultant selected by the Required Lenders shall be the Approved Consultant for purposes of such Valuation Report (and if the Required Lenders fail to provide a response within five (5) days, the Required Lenders shall be deemed to have approved the use of any of the proposed Approved Consultants as agreed to between the Borrowers and Administrative Agent).

"Approved ESCO" means, collectively, the Persons identified on Annex I to Appendix 2B hereto, as such Annex may be amended or supplemented from time to time in accordance with Section 14.1.

"Approved Financing" means each Eligible Nominated Financing with respect to which conditions to joining such Eligible Nominated Financing to this Agreement set forth in Section 7.1.1 hereof have been satisfied and each Proposed Nominated Financing that has been approved as an "Approved Financing" pursuant to Section 7.1.2 hereof. For the avoidance of doubt, each Ground Lease approved for financing hereunder that is or becomes part of Underlying Financing Specification No. 10 (as amended) shall be considered a separate Approved Financing for all purposes hereunder.

"Approved Financing (G&I)" means each Approved Financing satisfying the Underlying Financing Criteria set forth in Appendix 2B (as such criteria may be waived or modified by the Super Majority Lenders pursuant to Section 7.1.2).

"Approved Financing (Land Assets)" means each Approved Financing satisfying the Underlying Financing Criteria set forth in Appendix 2A (as such criteria may be waived or modified by the Super Majority Lenders pursuant to Section 7.1.2).

"Approved Financing (Non-Eligible Deferred Amortization Notes)" means each Approved Financing (G&I) that satisfies the Underlying Financing Criteria set forth in Appendix 2B, Part D (as such criteria may be waived or modified by the Super Majority Lenders pursuant to Section 7.1.2) where the Underlying Obligor is a Trust Obligor and the related "Note" (as defined in Appendix 2B, Part D) is not an "Eligible Deferred Amortization Note" (as defined in Appendix 2B, Part D).

"Approved Subsequent Credit Date" means each Credit Date with respect to an Approved Financing (a) occurring after the first Advance made by Lenders with respect to such Approved Financing, or (b) occurring after the date on which such Approved Financing was first included in the calculation of Borrowing Base as a result of an Approved Additional Collateral Event following the satisfaction of each of the conditions set forth in Section 6.2.

"Asset Premium" means an amount to be set forth in the Underlying Financing Specification for each Approved Financing and shall be calculated as follows:

(x) for Approved Financings accruing interest at a fixed rate, an amount equal to the greater of (i) 0 and (ii) the amount equal to the Initial Fixed Rate *minus* the Discount Rate set forth in the Underlying Financing Specification that was utilized in determining the BB Adjusted Value of such Approved Financing at the time such loan was added to the Borrowing Base *minus* .25%, and

(y) for Approved Financings accruing interest at a floating rate, an amount equal to the greater of (i) 0 and (ii) the margin that is being charged pursuant to the terms of the applicable Underlying Financing Agreement, and as such percentage is set forth in the Underlying Financing Specification *minus* the Credit Spread set forth in the Underlying Financing Specification that was utilized in determining the BB Adjusted Value of such Approved Financing at the time such loan was added to the Borrowing Base *minus* .25%.

The Administrative Agent and Borrowers agree that the Asset Premium set forth in the applicable Underlying Financing Specification for each Approved Financing will be calculated during the Administrative Agent's review of the applicable Proposal Package for such Approved Financing and will remain unchanged so long as the Approved Financing remains a part of the Borrowing Base unless the Administrative Agent and the Borrowers mutually agree to re-calculate such "Asset Premium" as a result of any action taken pursuant to Part C of Appendix 4.

"Assignment and Assumption" means an assignment agreement between a Lender and another Lender, in the form of Exhibit E-1 or otherwise satisfactory to Administrative Agent.

"Authorized Officer" means (a) as applied to any Person, any individual holding the position of chairman of the board or similar body (if an officer), chief executive officer, president, vice president (or the equivalent thereof), chief financial officer, chief accounting officer, treasurer, secretary, assistant secretary or any other Person duly authorized to act on behalf of such Person; provided that the authority of such Authorized Officer is supported by an incumbency certificate delivered to Administrative Agent or (b) the chairman of the board, president, chief executive officer, chief financial officer or chief accounting officer of a Borrower or, if the context requires, an Obligor.

"Availability Amount" means as of any date of determination, an amount equal to the Borrowing Base (or, if required by this Agreement, the Adjusted Borrowing Base) minus the Aggregate Usage, as of such date; provided that the Availability Amount shall not exceed the Total Commitments at any time.

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

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A., a national banking association.

"Bank of America Letter Agreement" means the letter between the Administrative Agent, Issuing Bank, Bank of America, as Lender and the Borrowers.

"Bankruptcy Code" means Title 11 of the United States Code.

"Base Rate" means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Administrative Agent as its "prime rate," and (c) the Eurodollar Daily Floating Rate. The "prime rate" is a rate set by Administrative Agent based upon various factors including Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.6 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"BB Adjusted Value" means, as of any date of determination for each Approved Financing, an amount equal to the product of (x) the Applicable Valuation Percentage for such Approved Financing at such time, multiplied by (y) the sum of the Monthly Present Values for such Approved Financing during such Valuation Period at such time; provided that for any Approved Financing that is a Delayed Draw Financing, until all delayed draws have been fully funded, the BB Adjusted Value shall be the lesser of (1) the amount equal to the product of (x) and (y) of this definition for such Delayed Draw Financing and (2) the BB Nominal Value for such Delayed Draw Financing.

"BB Aggregate Value" means, as of any date of determination, an amount equal to the lesser of (i) the sum of all BB Adjusted Values for all Approved Financings that are Eligible Collateral at such time, and (ii) the sum of all BB Nominal Values for all Approved Financings that are Eligible Collateral at such time.

"BB Nominal Value" means, as of any date of determination for each Approved Financing, an amount equal to the product of (x) the Applicable Valuation Percentage for such Approved Financing at such time, multiplied by (y) the Nominal Value of such Approved Financing at such time.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Board of Governors" means the Board of Governors of the Federal Reserve System.

"Borrower" has the meaning set forth in the preamble hereto.

"Borrower Advance Rate" means the amount, not less than zero, equal to 1 *minus* the Applicable Valuation Percentage.

"Borrower Agent" has the meaning set forth in Section 4.4.

"Borrower Allocable Amount" has the meaning set forth in Section 5.10.3(b).

"Borrower Certificate" means a certificate from Borrowers substantially in the form of Exhibit D-2.

"Borrower Collateral Accounts" means the Accounts (as defined in the Depositary Agreement) and such other accounts of Borrower as required from time to time and approved by Administrative Agent and otherwise subject to the Depositary Agreement.

"Borrower HASI" has the meaning set forth in the preamble hereto.

"Borrower HAT I" has the meaning set forth in the preamble hereto.

"Borrower HAT II" has the meaning set forth in the preamble hereto.

"Borrower Materials" means Borrowing Base Certificates, Compliance Certificates, and other information, reports, financial statements and other materials delivered by any Borrower hereunder, as well as other reports and information provided by Administrative Agent to Lenders.

"Borrower Note" means each promissory note, in grid note format, issued by Borrowers to each Lender in the form of Exhibit C-1, as such notes may be amended, restated, supplemented or otherwise modified from time to time.

"Borrowing Base" means as of any date of determination and subject to Section 4.3, an amount equal to the lesser of (a) the sum of (i) the BB Aggregate Value as of such date, (ii) an amount equal to Cash over which the Collateral Agent has a First Priority Lien as of such date (provided that if such date is a Payment Date, the amount of such Cash for purposes of this clause and (ii) shall be the amount remaining after giving effect to any payments of principal, interest and fees required to be made on such date), and (iii) Cash Equivalents over which the Collateral Agent has a First Priority Lien as of such date, and (b) the Total Commitments then in effect.

"Borrowing Base Certificate" means a certificate, duly completed and signed by an Authorized Officer of Borrowers, substantially in the form of Exhibit D-1, or such other form which is acceptable to Administrative Agent in its reasonable discretion.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of New York, and if such day relates to a Loan, any such day on which dealings in Dollar deposits are conducted between banks in the London interbank Eurodollar market.

"Capital Lease" means any lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Cash" means money, currency or a credit balance in any demand or Deposit Account.

"Cash Collateral Account" means a blocked, deposit or investment account containing Cash or Cash Equivalents of one or more of the Borrowers at the Administrative Agent (or another commercial bank reasonably acceptable to the Issuing Bank) in the name of the Collateral Agent and under the sole dominion and control of the Collateral Agent, and otherwise established in a manner reasonably satisfactory to the Collateral Agent.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Banks and the Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations (as the context may require), cash or deposit account balances or, if the Administrative Agent or the Issuing Banks shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the Issuing Banks. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the United States government, maturing within three (3) months of the date of acquisition; (b) certificates of deposit, time deposits and bankers' acceptances maturing within three (3) months of the date of acquisition, and overnight bank deposits, in each case which are (x) issued by Administrative Agent or (y) a commercial bank (other than Administrative Agent) organized under the laws of the United States or any state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody's at the time of acquisition (provided that the aggregate amount of all such deposits, and acceptances held at such other commercial bank shall not at any time exceed $25,000,000 or such other amount as the Administrative Agent and the Borrower Agent may mutually agree), and (unless issued by a Lender) not subject to offset rights; (c) repurchase obligations with a term of not more than thirty (30) days for underlying investments of the types described in clauses (a) and (b) entered into with any bank described in clause (b); (d) commercial paper issued by Administrative Agent or rated A-1 (or better) by S&P or P-1 (or better) by Moody's, and maturing within three (3) months of the date of acquisition; and (e) shares of any money market fund that has substantially all of its assets invested continuously in the types of investments referred to above, has net assets of at least $500,000,000 and has the highest rating obtainable from either Moody's or S&P.

"Cashflow Available for Interest Service" means for any period, the sum of all accrued interest on the Approved Financings that are Eligible Collateral; provided that any accrued interest due and payable that was paid in kind and added to the principal of such Approved

Financing during such period shall not be included as interest for purposes of this definition.

"Cash Flows" means, with respect to an Approved Financing for any Monthly Period, the aggregate amount of all Receivables, including all fees, principal and interest, scheduled to be paid by the Underlying Borrower and/or Underlying Obligors to the applicable Borrower during such Monthly Period in respect of the Underlying Financing corresponding to such Approved Financing. For Approved Financings accruing interest at a floating rate of interest, for each Monthly Period, the Cash Flows will consider LIBOR, or if adequate and reasonable means do not exist for determining LIBOR, such other rate as agreed to by the Borrowers and the Administrative Agent, as of the Rate Determination Date plus the margin that is being charged pursuant to the terms of the applicable Underlying Financing Agreement for the calculation of interest payments during each Monthly Period for the duration of the Valuation Period.

"CERCLA" means the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means, unless permitted under Sections 15(b)(ix)(C) and 15(b)(x)(C) of the Guaranty, at any time prior to the earlier of the Maturity Date and the date on which a Permitted Foreclosure occurs: (i) HA INC ceases to own and control, beneficially and of record, directly, at least fifty and one-tenth percent (50.1%) of the voting and economic Equity Interests in HA LP; (ii) HA LP ceases to own and control, beneficially and of record, directly, at least fifty and one-tenth percent (50.1%) of the voting and economic Equity Interests in HA LLC; (iii) HA LLC ceases to own and Control, directly or indirectly, beneficially and of record, at least fifty and one-tenth percent (50.1%) of the voting and economic Equity Interests of any of (1) HAT Holdings I or (2) HAT Holdings II, (iv) HA LLC ceases to own and Control, directly or indirectly, beneficially and of record, at least one hundred percent (100%) of the Equity Interests of any of (1) Pledgor HASI or (2) the Land Lease Borrower; (v) HAT Holdings I ceases to hold, own and control, directly or indirectly, beneficially and of record, 100% of the Equity Interests of Pledgor HAT I; (vi) HAT Holdings II ceases to hold, own and control, directly or indirectly, beneficially and of record, 100% of the Equity Interests of Pledgor HAT II; (vii) Pledgor HAT I ceases to hold, own and control, directly, beneficially and of record, 100% of the Equity Interests of Borrower HAT I; (viii) Pledgor HAT II ceases to hold, own and control, directly, beneficially and of record, 100% of the Equity Interests of Borrower HAT II; (ix) Pledgor HASI ceases to hold, own and control, directly, beneficially and of record, 100% of the Equity Interests of Borrower HASI; (x) the sale or transfer of all or substantially all assets of any Guarantor to any other Person (other than a Guarantor); (xi) at any time HA INC ceases to become subject to the reporting requirements of the Exchange Act; or (xii) the capital stock of HA INC is no longer listed on the New York Stock Exchange, American Stock Exchange or NASDAQ.

"Claims" means all claims, liabilities, obligations, losses, damages, penalties, judgments, proceedings, interest, costs and expenses of any kind (including remedial response costs, reasonable and documented, out-of-pocket third-party fees (including attorneys' fees), costs and expenses and Extraordinary Expenses at any time (including after Full Payment of the Obligations or replacement of Administrative Agent or any Lender) incurred by any Indemnitee or asserted against any Indemnitee by any Obligor or other Person, in any way relating to (a) any Loans, Loan Documents, Material Underlying Financing Documents, Borrower Materials, or the use thereof or transactions relating thereto, (b) any action taken or omitted in connection with any Loan Documents or Material Underlying Financing Documents, (c) the existence or perfection of any Liens, or realization upon any Collateral, (d) exercise of any rights or remedies under any Loan Document or Material Underlying Financing Document or Applicable Law, or (e) failure by any Obligor to perform or observe any terms of any Loan Document or Material Underlying Financing Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Indemnitee is a party thereto.

"COBRA" has the meaning set forth in Section 9.1.29(b).

"Code" means the Internal Revenue Code of 1986.

"Collateral" means all Property described in any Security Documents as security for any Obligations, and all other Property that now or hereafter secures (or is intended to secure) any Obligations pursuant to the terms of any Security Documents.

"Collateral Agent" means The Bank of New York Mellon, and any successor collateral agent under the Depositary Agreement.

"Collateral Assignment" means an instrument by which a Borrower collaterally assigns to the Collateral Agent as security for such Borrower's obligations under an Underlying Financing all of such Borrower's rights in, to and under Underlying Financing Documents and related rights and property with respect to the Approved Financing being financed, in form and substance satisfactory to Administrative Agent, substantially in the form of Exhibit C-2.

"Collateral Release" has the meaning set forth in Section 8.1.4(a).

"Collateral Release Request" has the meaning set forth in Section 8.1.4(a).

"Commercial Operations" means with respect to any Approved Financing (Land Assets), the date on which the solar photovoltaic project related thereto is fully operational, capable of producing power, is interconnected to the grid and has all necessary permits and authorizations to commence selling power.

"Commitment" means, as to each Lender, its obligation to make Loans and purchase participations in L/C Obligations in an aggregate principal amount at any one time outstanding not to exceed the maximum principal amount shown on Schedule 1.1.1 or in an Assignment and Assumption to which it is a party as such amount may be adjusted for such Lender from time to time in accordance with this Agreement, including without limitation, Sections 2.5 and 2.6.

"Commitment Termination Date" has the meaning set forth in Section 2.6.1.

"Compliance Certificate" means a certificate, in the form of Exhibit D-6 and satisfactory to Administrative Agent, by which HA INC certifies compliance with Sections 10.1.1(a), 10.1.1(b), 10.2.22 and Sections 15(b)(v)(A), (B) and (C) of the Guaranty.

"Consent to Collateral Assignment" means an instrument by which an Underlying Borrower and, if such Person's consent is required pursuant to an Underlying Financing Document, any other counterparty to an Underlying Financing Document consents to a Borrower's collateral assignment to Collateral Agent of such Borrower's rights in, to and under Underlying Financing Documents with respect to an Approved Financing in form and substance satisfactory to Administrative Agent and Lenders (a form of which may be attached as Exhibit E-2 at such time as Administrative Agent, Lenders and Borrowers mutually agree upon a form thereof).

"Contingent Obligation" means any obligation of a Person arising from a guaranty, indemnity or other assurance of payment or performance of any Debt (as used in this definition, "primary obligations") of another obligor (as used in this definition, "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guaranty, endorsement, co-making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or-pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase Property or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof. With regard to any Person other than the Guarantors, the amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto. With regard to any Guarantor, the amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such obligation is made which shall not exceed the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith in accordance with GAAP; provided that, for the avoidance of doubt, each Guarantor's obligations under the Rhea Agreement shall constitute "Contingent Obligations" with the amount equal to the outstanding loan balance thereunder.

"Contractual Obligation" means as applied to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise." Controlling" and "Controlled" have correlative meanings.

"Corrupt Practices Laws" means (i) the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95 213, §§101 104), as amended, (ii) the UK Bribery Act 2010, and (iii) any other applicable anti-corruption legislation.

"Credit Date" means for any Loan, the date of an Advance, including each Approved Subsequent Credit Date, and the date any Approved Financing first becomes a part of or joins the Borrowing Base.

"Credit Date Certificate" means a certificate from Borrowers, Guarantors and Pledgors, substantially in the form of Exhibit D-4.

"Credit Date Flow of Funds Memo" means a flow of funds memo executed and delivered on a Credit Date, in form and substance reasonably satisfactory to Administrative Agent.

"Credit Spread" means, for each Approved Financing, as of any Rate Determination Date, the spread found by reference to that certain Credit Spread Index identified in the applicable Underlying Financing Specification (such Credit Spread Index being determined in accordance with the first paragraph of Part C of Appendix 4) (the "Credit Spread Index"), as such Credit Spread Index may be changed from time to time pursuant to the appeal mechanism set forth in Part C of Appendix 4.

"Credit Yield " means, for each Approved Financing, as of any Rate Determination Date, the yield found by reference to that certain Credit Index identified in the applicable Underlying Financing Specification (such Credit Index being determined in accordance with the first paragraph of Part C of Appendix 4) (the "Credit Index"), as such Credit Index may be changed from time to time pursuant to the appeal mechanism set forth in Part C of Appendix 4.

"CWA" means the Clean Water Act (33 U.S.C. §§ 1251 et seq.).

"Day Count" means, for all Approved Financings, for any Monthly Period, a fraction (i) the numerator of which is the actual number of days in such Monthly Period and (ii) the denominator of which is 360.

"Debt" means as applied to any Person, without duplication, (a) all items that would be included as liabilities on its standalone balance sheet in accordance with GAAP, including Capital Leases, but excluding trade payables and other accrued liabilities incurred and being paid in

the Ordinary Course of Business, (b) all Contingent Obligations; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; (d) the amount of any net obligations under any Hedge Agreement on any date (which shall be deemed to be the Hedge Termination Value thereof as of such date as reduced by the value of any cash collateral posted against such obligation); and (e) in the case of Borrowers, the Obligations. The Debt of a Person shall include any recourse Debt of any partnership in which such Person is a general partner or joint venture to the extent such Person is liable for such Debt and such Debt is owed to a third party (which is not an Affiliate of HA INC), either directly to such third party or indirectly to such third party through its interest in a partnership or joint venture. Subject to Section 1.2.2, Debt shall not include operating leases.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means an event or condition that, with the lapse of time or giving of notice, would constitute an Event of Default.

"Default Rate" has the meaning set forth in Section 3.1.1(b).

"Defaulting Lender" means subject to Section 4.2.4, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Administrative Agent and Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (ii) fund all or any portion of its participation in an L/C Disbursement or (iii) pay to Administrative Agent, Issuing Bank or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified Borrower Agent, Issuing Bank or Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by Administrative Agent or Borrowers, to confirm in writing to Administrative Agent and Borrower Agent that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Administrative Agent and Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of any Insolvency Proceeding (including under any Debtor Relief Law), (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 4.2.4) as of the date established therefor by Administrative Agent in a written notice of such determination, which shall be delivered by Administrative Agent to Borrower Agent and each other Lender and Issuing Bank promptly following such determination.

"Delayed Draw Commitment Amount" means with respect to a Delayed Draw Financing, the total aggregate amount of principal that Lenders have agreed to fund (subject to the terms and condition set forth in this Agreement, including Sections 6.2 and 6.3) in respect of such Delayed Draw Financing, as such amount is set forth in the Underlying Financing Specification for such Delayed Draw Financing.

"Delayed Draw Exclusion Amount" means, as of any date of determination and solely with respect to a Delayed Draw Financing that is also an Approved Financing (G&I), an amount equal to the Unfunded Financing Commitment Amount required to be funded by the applicable Borrower thereunder during the period beginning on the 90th day following the date of such determination and ending on the 570th day following the date of such determination.

"Delayed Draw Financing" means any Approved Financing that is Eligible Collateral that is not fully funded at the time of closing but instead allows the Underlying Borrower to withdraw or advance at predefined times during the term of such Underlying Financing; provided that, once fully funded, such financing shall no longer be deemed to be a Delayed Draw Financing, but simply an Approved Financing for all purposes under this Agreement, including for purposes of valuing such financing pursuant to Appendix 4.

"Delinquent U.S. Federal Government Contract" means any contract between a U.S. Federal Government Obligor and an Underlying Borrower (A) with respect to which one or more Receivables are delinquent for a period of sixty (60) days or more and (B) the Administrative Agent has agreed in writing with Borrowers that such delinquency is solely administrative in nature and therefore eligible for the graduated Applicable Valuation Percentage step-downs set forth in the next succeeding sentence. If the Administrative Agent has provided its written consent as provided in the preceding sentence and in accordance with Section 8.1.3, the Applicable Valuation Percentage for any Delinquent U.S. Federal Government Contract shall be equal to (i) 70% for any Delinquent U.S. Federal Government Contract with respect to which one or more Receivables are delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than sixty (60) days following the date on which such Receivable was required to be paid, (ii) 60% for any Delinquent U.S. Federal Government Contract remaining so delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than ninety (90) days following the date on which such Receivable was required to be paid; (iii) 50% for any Delinquent U.S. Federal Government Contract remaining so delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less

than one-hundred twenty (120) days following the date on which such Receivable was required to be paid and (iv) 0% for any Delinquent U.S. Federal Government Contract remaining so delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than one-hundred eighty (180) days following the date on which such Receivable was required to be paid.

"Deposit Account" means shall mean a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union, or like financial institution, other than an account evidenced by a negotiable certificate of deposit.

"Depositary Agreement" means that certain Collateral Agency and Depositary Agreement (Rep-Based) dated as of the date hereof (as amended, modified, supplemented from time to time in accordance therewith), between Borrowers, HA INC, the Administrative Agent and Collateral Agent, and Depositary and as Securities Intermediary (each as defined thereunder).

"Designated Jurisdiction" means any country or territory, to the extent that such country or territory itself is the subject of any Sanction.

"Designated MUFDs" means with respect to (a) an Approved Financing (Land Lease Assets), (i) the Land Lease Loan Agreement, (ii) the Ground Lease by and between the Land Lease Entity and the counterparty thereto, (iii) the payment direction letter executed by the counterparty to such Ground Lease (other than the Land Lease Entity) pursuant to which such counterparty agrees to make all rent and other payments due and owing to the Land Lease Entity to the Revenue Account (as defined in the Depositary Agreement), and (iv) to the extent received by a Borrower or its Affiliates, any power purchase agreement or similar agreement pursuant to which output of the solar photovoltaic project owned and operated by such counterparty to the Ground Lease is purchased, and (b) an Approved Financing (G&I), (i) the "task order" or similar agreement pursuant to which an Underlying Obligor is obligated to purchase energy savings derived from "energy conservation measures", (ii) the assignment schedule and related master purchase agreement or similar agreement pursuant to which the Origination Company acquired the contract payments due to an Underlying Borrower pursuant to the agreement described in clause (b)(i), and (iii) with respect to Trust Obligors, the note, the trust agreement and note purchase agreement.

"Deteriorating Credit Condition" means with respect to (a) any Approved Financing (G&I) (including the Underlying Financing), (i) any downgrade of the credit rating of the Underlying Obligor (other than a U.S. Federal Government Obligor or Trust Obligor) by two or more notches by Moody's or S&P (whether as a result of a single downgrade or multiple downgrades) since the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, (ii) prior to Acceptance, any downgrade of the credit rating of Underlying Borrower or Underlying Borrower Guarantor by two or more notches by Moody's or S&P (whether as a result of a single downgrade or multiple downgrades) since the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, (iii) (A) prior to Acceptance, any expected delay in Acceptance from the scheduled Acceptance date after giving effect to any grace period expressly provided for under the Underlying Financing Agreement and (B) after Acceptance, a material energy savings shortfall during a measurement period, or (iv) an Underlying Material Adverse Effect and (b) any Approved Financing (Land Assets) (including the Underlying Financing), (i) any default under (other than in relation to payments under Ground Leases which are less than ninety (90) days past due) or a termination of any Material Underlying Financing Document that is not cured within the applicable cure period set forth in such Material Underlying Financing Document, (ii) any failure to have provided and maintained all applicable required reserves under any Underlying Financing Document for two (2) consecutive fiscal quarters, (iii) a force majeure event has been asserted under any Underlying Financing Document, and such event continues for more than thirty (30) days, (iv) any downgrade since the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder of the credit rating of the off-taker, if rated, purchasing the energy generated by the Underlying Project which results in (A) a credit rating of less than "BBB-" by S&P (if then rated by S&P), or "Baa3" by Moody's (if then rated by Moody's) (whether as a result of a single downgrade or multiple downgrades) or (B) if such off-taker was rated lower than "BBB-" by S&P (if then rated by S&P) or "Baa3" by Moody's (if then rated by Moody's) on the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, then any downgrade by one notch or more by S&P or Moody's since such date, (v) any downgrade from the initial rating of the Underlying Financing, if rated, which results in (A) a credit rating of less than "BBB-" by S&P (if then rated by S&P), or "Baa3" by Moody's (if then rated by Moody's) (whether as a result of a single downgrade or multiple downgrades) or (B) if such Underlying Financing was rated lower than "BBB-" by S&P (if then rated by S&P) or "Baa3" by Moody's (if then rated by Moody's) on the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, then any downgrade by one notch or more by S&P or Moody's since such date or (vi) any Underlying Material Adverse Effect.

"Determination Date" means the date on which the BB Nominal Value and BB Adjusted Value of an Approved Financing are calculated in accordance with Section 8.1.1 of this Agreement.

"Discount Rate" means,

(a) for Approved Financings accruing interest at a fixed rate of interest, for each Monthly Period, the Credit Yield on the Rate Determination Date corresponding to the Weighted Average Life of the Approved Financing (such rate to be found utilizing Part A of Appendix 4);

(b) for Approved Financings accruing interest at a floating rate of interest, for each Monthly Period, the sum of (a) the Credit Spread on the Rate Determination Date (such Rate to be found utilizing Part B of Appendix 4) and (b) LIBOR as of the Rate Determination Date during each Monthly Period for the duration of the Valuation Period.

In the event that the rates identified above are unavailable or cannot be determined as set forth above for any reason, the "Discount Rate" for purposes of this definition shall be determined by reference to the LIBOR Successor Rate, if any, or if not available, such other comparable publicly available rates as may be selected by Administrative Agent in its reasonable discretion.

"Distressed Asset" means either a Fundamental Distressed Asset or a Non-Fundamental Distressed Asset, as applicable.

"Distribution" means any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind); distribution, advance or repayment of Debt to a holder of Equity Interests; or purchase, redemption, or other acquisition or retirement for value of any Equity Interest.

"Dollars" means lawful money of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning set forth in Section 6.1.

"Effective Date Funds Memo" means a flow of funds memo executed and delivered on the Effective Date, in form and substance satisfactory to Administrative Agent.

"Eligibility Material Adverse Effect" means with respect to any Underlying Financing, the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, has or could be reasonably expected to have a material adverse effect (a)(i) on the business, operations, Properties, prospects or condition (financial or otherwise) of the Material Underlying Financing Participants, (ii) on the value of such Underlying Financing, (iii) on the enforceability of any Material Underlying Financing Document, or (iv) on the validity or priority of the applicable Borrowers' Liens on such Underlying Financing; (b) on the ability of a counterparty to perform its obligations under the Material Underlying Financing Documents, including any of such counterparty's payment obligations thereunder; or (c) on the ability of the applicable Borrower, Administrative Agent or any Lender to (i) enforce or collect on any obligation under the Material Underlying Financing Documents or (ii) to enforce any obligation under the Material Underlying Financing Documents or realize upon such Underlying Financing (taken as a whole); provided, however, that no Eligibility Material Adverse Effect shall occur with respect to the foregoing clauses (a)(i), (a)(ii), or (b), unless such event or circumstance results in or could reasonably be expected to result in, individually or in the aggregate, a reduction (on a net present value basis) of available cash flow to the applicable Borrower of ten percent (10%) or greater, relative to the net present value of available cash flow payable to such applicable Borrower from such Underlying Financing calculated at the time such Underlying Financing became an Approved Financing under this Agreement.

"Eligible Collateral" means (a) Approved Financings that are not Excluded Investments, (b) Cash and (c) Cash Equivalents.

"Eligible Nominated Financing" has the meaning set forth in Section 7.1.1.

"Eligibility Representations" means with respect to an Approved Financing, the Fundamental Representations and the Non-Fundamental Representations required to be made by the Borrowers on the applicable Credit Date with respect to such Approved Financing.

"Enforcement Action" means any action to enforce any Obligations or Loan Documents or any Material Underlying Financing Document or to exercise any rights or remedies relating to any Collateral (whether by judicial action, self-help, notification of Account Debtors, exercise of setoff or recoupment, exercise of any right to act in an Obligor's Insolvency Proceeding, credit bid of any Obligations, or otherwise).

"Engagement Letter" means that certain Engagement Letter dated as of September 11, 2018, between Guarantors and Bank of America and providing for, among other things, the payment of certain fees and other amounts, solely to the extent applicable to this Loan Agreement.

"Environmental Claim" means any investigation (excluding routine inspections), notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (c) in connection with any actual or alleged damage, injury, threat or harm to human health, natural resources or the environment.

"Environmental Laws" means all Applicable Laws (including programs, permits and guidance promulgated by regulators), relating to public health (other than occupational safety and health regulated by OSHA) or the protection or pollution of the environment, including CERCLA, RCRA and CWA.

"Environmental Notice" means a notice (whether written or oral) from any Governmental Authority or other Person of any possible noncompliance with, investigation of a possible violation of, litigation relating to, or potential fine or liability under any Environmental Law, or with respect to any Environmental Release, environmental pollution or hazardous materials, including any complaint, summons, citation, order, claim, demand or request for correction, remediation or otherwise.

"Environmental Release" means a release as defined in CERCLA or under any other Environmental Law.

"Equity Interest" means the interest of any (a) shareholder in a corporation; (b) partner in a partnership (whether general, limited,

limited liability or joint venture); (c) member in a limited liability company; or (d) other Person having any other form of equity security or ownership interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means (a) any trade or business (whether or not incorporated) under common control with an Obligor within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code); and (b) each Guarantor and any of its successors or assigns.

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Obligor or ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Obligor or ERISA Affiliate from a Multiemployer Plan; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) the determination that any Pension Plan or Multiemployer Plan is considered an at risk plan or a plan in critical or endangered status under the Code or ERISA; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Obligor or ERISA Affiliate.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Eurodollar Daily Floating Rate" means, for all Eurodollar Rate Loans, on each day any such Loan is outstanding, the fluctuating rate of interest equal to LIBOR, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (London time), two (2) Business Days prior to the date in question, for Dollar deposits with a term equivalent to a one month interest period beginning on that date; provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, including under Section 3.6.1, the approved rate shall be applied in a manner consistent with market practice and provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and if the Eurodollar Daily Floating Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate" means (a) with respect to a Loan made on a date other than a Scheduled Calculation Date, the Eurodollar Daily Floating Rate, (b) with respect to a Loan outstanding on a Scheduled Calculation Date, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to the Interest Period commencing on such Scheduled Calculation Date) ("LIBOR") as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (London time), two (2) Business Days prior to the commencement of such Interest Period (the "LIBOR Screen Rate"), for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, and (c) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; provided, if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on the definition of Eurodollar Rate.

"Event of Default" has the meaning set forth in Section 11.1.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Investment" means an Approved Financing which does not meet the criteria for inclusion in the Borrowing Base, including, without limiting the foregoing, any Approved Financing: (i) which is not owned by a Borrower or Land Lease Borrower; or (ii) which is not subject to a First Priority Lien.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), revenues, property holdings, intangibles or capital base, franchise Taxes, and branch profits Taxes, in each case that are (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to the applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by a Borrower under Section 5.9.2) or (ii) such Lender changes its Lending Office (other than pursuant to Section 5.9.1), except in each case to the extent that, pursuant to Section 5.7.1 or Section 5.7.3, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.8 and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing Forward Sold Asset" means the Approved Financing joined to the Borrowing Base on the Effective Date following

satisfaction of the conditions in Section 6.2 pursuant to Underlying Financing Specification #46 (as amended).

"Extraordinary Expenses" means all reasonable and documented, out-of-pocket, fees, costs, expenses or advances that each Agent, Lender or Issuing Bank may incur during a Default or Event of Default, or during the pendency of an Insolvency Proceeding of an Obligor, including those relating to (a) any audit, inspection, repossession, storage, repair, appraisal, insurance, manufacture, preparation or advertising for sale, sale, collection, or other preservation of or realization upon any Collateral; (b) any action, arbitration or other proceeding (whether instituted by or against an Agent, any Lender, any Obligor, any representative of creditors of an Obligor or any other Person) in any way relating to any Collateral (including the validity, perfection, priority or avoidability of Administrative Agent's Liens with respect to any Collateral), Loan Documents, Material Underlying Financing Documents or Obligations, including any lender liability or other Claims (provided that such fees, costs, expenses or advances shall not be reimbursable, as to any Indemnitee, to the extent that such fees, costs, expenses or advances result from a claim brought by any Borrower or any other Obligor against an Indemnitee for lender liability or other similar Claim in connection with the Loan Documents or if such fees, costs, expenses or advances result from the gross negligence or willful misconduct of such Indemnitee, in each case, if Borrowers or any other Obligor has obtained a final and nonappealable judgment in its favor against such Indemnitee on such claim as determined by a court of competent jurisdiction); (c) the exercise of any rights or remedies of any Agent, Lender or Issuing Bank in, or the monitoring of, any Insolvency Proceeding of an Obligor or any of its Affiliates; (d) settlement or satisfaction of Taxes, charges or Liens with respect to any Collateral; (e) any Enforcement Action; and (f) negotiation and documentation of any modification, waiver, workout, restructuring or forbearance with respect to any Loan Documents, Material Underlying Financing Documents or Obligations. Such costs, expenses and advances include transfer fees, Other Taxes, storage fees, insurance costs, permit fees, utility reservation and standby fees, legal fees, appraisal fees, brokers' and auctioneers' fees and commissions, accountants' fees, environmental study fees, wages and salaries paid to employees of any Obligor or independent contractors in liquidating any Collateral, and travel expenses.

"Fair Salable Value" means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471 (b) (1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Rate" means for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Administrative Agent on such day on such transactions as determined by Administrative Agent.

"Fee Letters" means collectively, (i) the fee letters of even date herewith between the Borrowers and the applicable Lenders and (ii) the Bank of America Letter Agreement.

"Financial Officer" means as applied to any Person, any individual holding the position of chief financial officer, chief accounting officer or treasurer.

"Financial Officer Certification" means with respect to the financial statements for which such certification is required, the certification of a Financial Officer of any Person that such financial statements fairly present, in all material respects, the financial condition of such Person and its subsidiaries (if any) as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments; provided that for purposes of Section 10.1.1(a)(i) and Section 10.1.1(b)(i) to the extent satisfied pursuant to the terms herein as a result of the applicable 10-K or 10-Q filing, the certification by an appropriate Financial Officer in such publicly filed SEC documents shall be deemed a satisfactory "Financial Officer Certification".

"First Priority Lien" means with respect to any Lien purported to be created in any Collateral pursuant to any Security Document, that such Lien is senior in priority to any other Lien to which such Collateral is subject, other than any Permitted Lien that is, pursuant to Applicable Law, senior to the Lien created pursuant to any Security Document.

"Fiscal Quarter" means each period of three (3) months, commencing on the first day of a Fiscal Year.

"Fiscal Year" means the fiscal year of HA INC for accounting and Tax purposes, ending on December 31 of each year.

"FLSA" means the Fair Labor Standards Act of 1938.

"Foreign Asset Control Regulations" has the meaning set forth in Section 9.1.21.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Fraudulent Transfer Laws" has the meaning set forth in Section 5.11.

"Fronting Exposure" means, at any time there is a Defaulting Lender, with respect to any Issuing Bank, such Defaulting Lender's

Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Full Payment" means, with respect to any Obligation, the full and indefeasible cash payment thereof (other than contingent obligations as to which no claims have been made), including any interest, fees and other charges accruing during an Insolvency Proceeding (whether or not allowed in the proceeding), and the expiration or termination of all Letters of Credit, as evidenced by execution and delivery of the parties thereto of a Payoff Letter. No Loans shall be deemed to have been paid in full unless all Commitments have expired or terminated.

"Fundamental Distressed Asset" means any Approved Financing for which any applicable Fundamental Representation is determined by the Administrative Agent, the Required Lenders or any Borrower to be untrue or inaccurate when made in any material respect.

"Fundamental Representations" has the meaning set forth in Appendix 2A or B, as applicable.

"Funding Default" has the meaning set forth in Section 5.9.4.

"GAAP" means generally accepted accounting principles in effect in the United States from time to time; provided, however, that as it relates to all financial statements of any Obligor besides HA INC, references to GAAP do not require footnotes and certain required statements (including statements of cash flow and equity) and that consolidation and year-end entries are made at the consolidated group level and not at the individual company level).

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and required reports to, all Governmental Authorities.

"Governmental Authority" means any federal, state, local, foreign or other agency, authority, body, commission, court, instrumentality, political subdivision, central bank, or other entity or officer exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions for any governmental, judicial, investigative, regulatory or self-regulatory authority (including any supra-national bodies such as the European Union or the European Central Bank).

"Governmental Judgment" means with respect to any Person, any judgment, order, decision, or decree, or any action of a similar nature, of or by a Governmental Authority having jurisdiction over such Person or any of its properties.

"Ground Lease" means with respect to an Approved Financing (Land Assets), the ground lease, pursuant to which real property owned by a Land Lease Entity is leased to the tenant/lessee thereunder for the construction, development and operation of a solar photovoltaic project.

"Guarantor" has the meaning set forth in the recitals hereto.

"Guarantor Certificate" means a certificate from Guarantors substantially in the form of Exhibit D-3.

"Guarantor Payment" has the meaning set forth in Section 5.10.3(b).

"Guaranty" has the meaning set forth in the recitals hereto.

"HA INC" has the meaning set forth in the recitals hereto.

"HA LLC" means Hannon Armstrong Capital, LLC.

"HA LP" means Hannon Armstrong Sustainable Infrastructure, LP.

"HAT Holdings I" means HAT Holdings I LLC, a Maryland limited liability company.

"HAT Holdings II" HAT Holdings II LLC, a Maryland limited liability company.

"Hazardous Materials" means any hazardous or toxic substances, chemicals, materials, pollutants or wastes defined, classified or regulated as such in or under any Environmental Laws, including (a) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law and (b) any other chemical, material or substance, the import, storage, transport, use or disposal of, or exposure to or Release of which is prohibited, limited or otherwise regulated under, or for which liability is imposed pursuant to, any Environmental Law.

"Hazardous Materials Activity" means any past or current activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Environmental Release, threatened (in writing) Environmental Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"Hedge Agreement" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any

and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (as used in this definition, any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Hedge Termination Value" means, as to any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedge Agreements, as determined based upon one or more mid-market or other readily available quotations using mid-market pricing provided by any recognized dealer in such Hedge Agreements.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Impacted Loans" has the meaning set forth in Section 3.6.1(a).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or relating to any payment of an Obligation, and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Indemnitees" means Agent Indemnitees, Issuing Bank Indemnitees and Lender Indemnitees.

"Independent Appraiser" means an independent third party appraiser acceptable to Administrative Agent and Borrower Agent.

"Independent Manager" means an independent manager acceptable to Administrative Agent and Required Lenders.

"Ineligible Asset Fee" means a fee in the amount of $5,000.

"Information" has the meaning set forth in Section 14.11.

"Initial Borrowing Base Certificate" has the meaning set forth in Section 5.2.1(a)(i).

"Initial Cure Period" has the meaning set forth in Section 11.1.5.

"Initial Fixed Rate" means the rate of interest that is being charged pursuant to the terms of the applicable Underlying Financing Agreement or as otherwise agreed pursuant to the terms of the applicable Underlying Financing Agreement.

"Insolvency Proceeding" means any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order or filing of a petition for relief under any Debtor Relief Law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property; (c) an assignment or trust mortgage for the benefit of creditors of such Person; (d) application or petition for dissolution of such Person; or (e) the sale or transfer of all or any material part of the assets of such Person or the cessation of the business of such Person as a going concern.

"Institutional Obligor" means (a) an entity that (i) is (A) a public or private university, college or school (and any system or district thereof), or (B) a hospital, health care system or other health services-related entity, and (ii) (A) is rated by S&P or Moody's (or both) and has a credit rating of at least "BBB" by S&P (if then rated by S&P), or "Baa2" by Moody's (if then rated by Moody's) or (B) if not rated by either S&P or Moody's, has a rating that was calculated using Moody's RiskCalc or Q-Rate credit rating software and such rating is at least equal to "Baa2", (b) solely with respect to Approved Financings (G&I) joined to the Borrowing Base on the Effective Date following satisfaction of the conditions in Section 6.2 (i) the entity identified as the "Underlying Obligor" in Underlying Financing Specification #16, (ii) the entity identified as the "Underlying Obligor" in Underlying Financing Specification #18, (iii) the entity identified as the "Underlying Obligor" in Underlying Financing Specification #22, and (iv) the entity identified as the "Underlying Obligor" in Underlying Financing Specification #23, or (c) as otherwise approved by the Administrative Agent (at the direction of the Super-Majority Lenders).

"Insurance Requirements" means that certain insurance required pursuant to Section 10.1.10.

"Intellectual Property" means all intellectual property of a Person, including inventions, designs, patents, copyrights, trademarks, service marks, trade names, trade secrets, confidential or proprietary information, customer lists, know-how, software and databases; all embodiments or fixations thereof and all related documentation, applications, registrations and franchises; all licenses or other rights to use any of the foregoing; and all books and records relating to the foregoing.

"Intellectual Property Claim" means any claim or assertion (whether in writing, by suit or otherwise) that a Borrower's ownership, use, marketing, sale or distribution of any Intellectual Property violates another Person's Intellectual Property.

"Intercompany Assignment Agreement" means with respect to an Approved Financing, a transfer instrument substantially in the form of Exhibit E, by and between the Origination Company, as transferor and the applicable Borrower, as transferee, pursuant to which such Origination Company transfers all of its right, title and interest in and to such Approved Financing to such Borrower.

"Interest Coverage Calculation Period" means, with respect to a Payment Date Borrowing Base Certificate, the period commensurate with the one month Interest Period just ended; provided that the first Interest Coverage Calculation Period shall be the period beginning on the Closing Date and ending on the first Scheduled Calculation Date after the Closing Date.

"Interest Period" means with respect to any Loan, the period commencing on the date such Loan was made until the next Scheduled Calculation Date and thereafter, the one month interest period beginning on the day after such Scheduled Calculation Date and ending on the next Scheduled Calculation Date; provided that (x) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day and (y) no Interest Period shall extend beyond the Maturity Date.

"Interest Service Coverage Ratio" means for any period (a) Cashflow Available for Interest Service for such period, divided by (b) all interest accrued by Borrowers on the Outstanding Amount during such period.

"Interest Service Coverage Ratio Threshold" shall mean, for any period, as of any date of determination, the ratio obtained by dividing 1 / (the average Applicable Valuation Percentage weighted by the Nominal Value of each of the Approved Financings part of the Borrowing Base as of such date).

"Investment" means an acquisition of record or beneficial ownership of any Equity Interests of a Person, or an advance or capital contribution to or other investment in a Person.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuing Bank" means Bank of America, in its capacity as issuer of Letters of Credit hereunder, and each other Lender (if any) from time to time as mutually agreed between Borrowers and such other Lender.

"Issuing Bank Indemnitees" means each Issuing Bank and its officers, directors, employees, Affiliates, agents and attorneys.

"Knowledge" means when used in reference to any (i) Obligor, (x) the actual knowledge of the officers and employees of each of the Obligors and their Subsidiaries (collectively) whose duties require them to have responsibility for the matter in question, and (y) any knowledge that should have been obtained by any such officers and employees as a result of the reasonable exercise or discharge by such officer or employee of his/her duties or responsibilities in the ordinary course; and (ii) any other Person, the actual knowledge of any such Person or any knowledge that should have been obtained by such Person as a result of the reasonable exercise of a discharge by such Person of his/her duties or responsibilities in the ordinary course (and the words "Know" and "Known" shall be construed accordingly).

"Land Lease Borrower" means HA Land Lease II LLC, a Delaware limited liability company, and its permitted successors and assigns under the Land Lease Loan Agreement.

"Land Lease Diligence Documents" means with respect to any Proposal Package furnished in connection with any Approved Financing (Land Assets) (i) the title policy and survey for the project property, (ii) the phase I environmental report, (iii) a report from an independent Engineer in respect of the project to the extent one has been prepared and has been provided to the Land Lease Entity, (iv) the Borrowing Base model with respect to the applicable Land Lease Loan, (v) the "investment committee memo", and (vi) any due diligence summaries prepared by or on behalf of any Borrower with respect to the applicable Material Underlying Financing Documents, the project property (including acquisition thereof) and/or the project.

"Land Lease Entity" means with respect to each Approved Financing (Land Assets), the wholly owned subsidiary of the Land Lease Borrower that is party to the Ground Lease related to such Approved Financing (Land Assets).

"Land Lease Loan" means the "Loan" as defined in the Land Lease Loan Agreement.

"Land Lease Loan Agreement" means the Loan Agreement, dated as of the Closing Date by and between the Land Lease Borrower and Borrower HASI (as amended, modified or supplemented from time to time).

"L/C Advance" has the meaning set forth in Section 2.4.8.

"L/C Commitment" means, with respect to the applicable Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of the Issuing Bank's Letter of Credit Commitment is set forth on Schedule 1.1.1, or if an Issuing Bank has entered into an Assignment and Assumption or has otherwise assumed a Letter of Credit Commitment after the Closing Date, the amount set forth for such Issuing Bank as its Letter of Credit Commitment in the Register maintained by the Administrative Agent. The L/C Commitment of an Issuing Bank may be modified from time to time by agreement between such Issuing Bank and the Borrower, and notified to the Administrative Agent.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"L/C Documents" means, as to any Letter of Credit, each Letter of Credit Application and any other document, agreement and instrument entered into by any Borrower with or in favor of the applicable Issuing Bank and relating to such Letter of Credit.

"L/C Obligations" means, at any time, the sum of (a) the aggregate amount available to be drawn under all outstanding Letters of Credit at such time, plus (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into L/C Advances by or on behalf of Borrower at such time. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.5. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"L/C Sublimit" means $15,000,000. The L/C Sublimit is part of, and not in addition to, the Loan Facility.

"Lender" or "Lenders" has the meaning set forth in the preamble hereto, and shall, for the avoidance of doubt, include any other Person who hereafter becomes a "Lender" pursuant to an Assignment and Assumption.

"Letter of Credit" means any irrevocable standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Issuing Bank.

"Letter of Credit Fee" has the meaning set forth in Section 2.4.13.

"Lender Indemnitees" means Lenders and their officers, directors, employees, Affiliates, agents and attorneys.

"Lending Office" means the office designated as such by the applicable Lender at the time it becomes party to this Agreement or thereafter by notice to Administrative Agent and Borrower Agent.

"LIBOR" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Screen Rate" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Successor Rate" has the meaning set forth in Section 3.6.1.

"LIBOR Successor Rate Conforming Changes" has the meaning set forth in Section 3.6.1.

"License" means any license or agreement under which an Obligor is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of Property or any other conduct of its business.

"Lien" means a Person's interest in Property securing an obligation owed to, or a claim by, such Person, including any lien, security interest, pledge, hypothecation, assignment, trust, reservation, encroachment, easement, right-of-way, covenant, condition, restriction, leases, or other title exception or encumbrance.

"Loan" has the meaning set forth in Section 2.1.1. For the avoidance of doubt, "Loan" shall include any L/C Advance.

"Loan Documents" means this Agreement, L/C Documents, Other Agreements and Security Documents.

"Loan Facility" has the meaning set forth in the recitals hereto.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

"Mandatory Prepayment" means any prepayment required pursuant to the terms of Section 5.2.1.

"Margin" means (a) with respect to each Loan in connection with an Approved Financing with an Underlying Obligor that is a Trust Obligor, U.S. Federal Government Obligor, Institutional Obligor or State/Local Obligor, 1.40% if such Loan is a Eurodollar Rate Loan or 0.40% if such Loan is a Base Rate Loan, (b) with respect to each Loan in connection with an Approved Financing with an Underlying Obligor that is a Land Lease Entity, 1.85% if such Loan is a Eurodollar Rate Loan or 0.85% if such Loan is a Base Rate Loan and (c) with respect to each Loan made pursuant to Section 2.4.8 in relation to any L/C Disbursement, 1.75% if such Loan is a Eurodollar Rate Loan or 0.75% if such Loan is a Base Rate Loan.

"Margin Stock" has the meaning set forth in Regulation U of the Board of Governors.

"Market Disruption" means the occurrence of a substantial impairment of the financial markets generally that is reasonably likely to materially and adversely affect Lenders' ability to make a requested Commitment available for an Underlying Financing as determined by Administrative Agent in its sole discretion.

"Material Adverse Effect" means the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, has or could be reasonably expected to have a material adverse effect (a)(i) on the business, operations, Properties or condition (financial or otherwise) of any Borrower or Guarantor, in the case of a Guarantor, taken as a whole together with its subsidiaries, (ii) on the value of the Collateral, (iii) on the enforceability of any Loan Document, or (iv) on the validity or priority of Administrative Agent's Liens on any Collateral; (b) on the ability of an Obligor to perform its obligations under the Loan Documents, including repayment of any Obligations; or (c) on the ability of Administrative Agent or any Lender to enforce or collect in any Obligation or to realize upon the Collateral (taken as a

whole).

"Material Underlying Financing Document" means with respect to any Approved Financing, each document designated by the Administrative Agent as a "Material Underlying Financing Document" in *Part IV* to *Exhibit A* to the applicable Underlying Financing Specification and such other Underlying Financing Documents that (i) were entered into after the date such Approved Financing joined the Borrowing Base and (ii) the Administrative Agent and Borrowers agree are material. Each Designated MUFD shall be a "Material Underlying Financing Document" for all purposes hereunder whether or not such document is identified as such in *Part IV* to *Exhibit A* to the applicable Underlying Financing Specification.

"Material Underlying Financing Participant" means with respect to any Approved Financing, each Person listed in *Part III* to *Exhibit A* to the applicable Underlying Financing Specification and each other Person that (i) is or becomes a party to a Material Underlying Financing Document after the date hereof and (ii) the Administrative Agent and Borrowers agree is material. Each Underlying Borrower and Underlying Obligor shall be a "Material Underlying Financing Participant" whether or not such Person is identified as such in *Part III* to *Exhibit A* to the applicable Underlying Financing Specification.

"Maturity Date" means the earlier of (x) July 19, 2023 and (y) such other date on which the final payment of the principal amount of all Loans becomes due and payable as herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

"Maximum Rate" means has the meaning set forth in Section 3.9.

"Midpoint Valuation" means with respect to the calculation of the adjusted Borrowing Base under Section 8.1.3(c), the amount equal to the lesser of (x) the midpoint of: Borrowers' valuation amount, Administrative Agent's valuation amount and the Independent Appraiser's valuation amount and (y) the Nominal Value for the applicable Approved Financing.

"Minimum Collateral Amount" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Administrative Agent and Issuing Bank in their sole discretion.

"Modeled Ground Lease Rents" means as of any date of determination with respect to an Approved Financing (Land Assets), the scheduled Ground Lease rent payments used to size the Land Lease Loan in accordance Appendix 2A, which rent payments have been reduced to account for estimated property taxes payable by the applicable Land Lease Entity pursuant to the terms of the applicable Ground Lease.

"Moody's" means Moody's Investors Service, Inc.

"Monthly Discount Factor" means, for each Monthly Period an amount equal to the Monthly Discount Factor of the prior Monthly Period divided by the following: (1 + (Discount Rate for the Monthly Period + Asset Premium)*Day Count).

The Administrative Agent and Borrowers agree that the Monthly Discount Factor for the first Monthly Period will equal:

1 / (1 + (Discount Rate for the Monthly Period + Asset Premium)*Day Count).

"Monthly Period" each period beginning on the tenth (10^{th}) day of each fiscal month occurring during a Valuation Period and ending on the 9^{th} of the following fiscal month; provided that if the Determination Date is not the tenth (10^{th}) day of a given fiscal month, the first "Monthly Period" shall begin on such Determination Date and end on the ninth (9^{th}) day of the following fiscal month in which such Determination Date occurs; provided further that the last Monthly Period shall begin on the tenth (10^{th}) day of the fiscal month in which the Valuation Maturity Date occurs and end on such Valuation Maturity Date.

"Monthly Present Value" for each Monthly Period, an amount equal to the product of (x) the Cash Flows during such Monthly Period, multiplied by (y) the Monthly Discount Factor.

"Monthly Undrawn Fee Rate" means 0.60%.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Obligor or ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Proceeds" means proceeds (including, when received, any deferred or escrowed payments) received by a Borrower in cash from any disposition, net of (a) reasonable and customary costs and expenses actually incurred in connection therewith, including legal fees and sales commissions; and (b) transfer or similar taxes.

"New Lender" has the meaning set forth in Section 2.5.2.

"Nominal Value" means, as of any date of determination for any Valuation Period, with respect to an Approved Financing that is Eligible Collateral, the lesser of, (1) the Termination Amount as in effect as of such determination date and (2) the value obtained by reference to clause (I), (II) or (III) of this definition, as applicable: with respect to such Approved Financing (I) that accrues interest at a fixed rate of interest, the sum of the Monthly Present Values for such Approved Financing during such Valuation Period provided that for purposes of determining the Monthly Present Values of such Approved Financing, (a) the Discount Rate shall be an amount equal to the Initial Fixed Rate on such loan and (b) the Asset Premium shall be an amount equal to 0, (II) that accrues interest at a floating rate of interest, the sum of the Monthly Present Values for such Approved Financing during such Valuation Period provided that for purposes of determining the Monthly

Present Values of such Approved Financing the Discount Rate shall be LIBOR plus the margin that is being charged pursuant to the terms of the applicable Underlying Financing Agreement and (III) that is a Delayed Draw Financing an amount equal to the total aggregate principal amount actually funded by the applicable Borrower plus any remaining principal amount that the applicable Borrower has committed to fund, in each case, in respect of each such Delayed Draw Financing.

"Nominated Financing" means a prospective Underlying Financing proposed to be purchased by the applicable Borrower with the proceeds of one or more Advances and described in the Underlying Financing Specification submitted with the applicable Proposal Package.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or affected Lenders in accordance with the terms of Section 14.1 and (ii) has been approved by Required Lenders.

"Non-Defaulting Lender" means at any time, each Lender or Issuing Bank that is not a Defaulting Lender at such time.

"Non-Fundamental Distressed Asset" means any Approved Financing for which any applicable Non-Fundamental Representation is determined by the Administrative Agent, the Required Lenders or any Borrower to be untrue or inaccurate when made in any material respect.

"Non-Fundamental Representations" has the meaning set forth in Appendix 2A or B, as applicable.

"Non-Qualified Sponsor" means Persons that, together with their Affiliates, are not Qualified Sponsors.

"Non-Recourse Debt" means Debt of any Subsidiary of a Guarantor (other than HA LLC and HA LP) in the nature of a Hedge Agreement, capital lease or secured loan and with respect to which the creditor has recourse only to such Subsidiary that is the obligor thereof, any Person that is the sole owner of such obligor (unless such owner is a Guarantor) or the collateral which secured such Debt, and has no recourse (including by virtue of a Lien or Guarantee (as defined in the Guaranty)) to any of the Guarantors, or such debt that is otherwise classified as "non-recourse" debt (including any "non-recourse" debt of HA LLC to the extent so classified therein) in the HA INC financial statements delivered to the Administrative Agent in accordance with Section 10.1.1(a)(i) or (b)(i) of the Guaranty, as applicable.

"Notice of Borrowing" means a notice submitted by Borrower Agent in order to request an Advance substantially in the form of Exhibit A.

"Notice of Assignment" means a notice to an Underlying Borrower or an Underlying Obligor by which such Person is given notice of an Origination Company's assignment or a Land Lease Entity's assignment, as applicable, of such Person's rights in, to and under Underlying Financing Documents with respect to an Approved Financing pursuant to an Underlying Financing Agreement, in form and substance satisfactory to Administrative Agent and Lenders (a form of which may be attached as Exhibit B-2 at such time as Administrative Agent, Lenders and Borrowers mutually agree upon a form thereof).

"Notice of Collateral Assignment" means a notice to an Underlying Borrower or an Underlying Obligor, as applicable, by which such Underlying Borrower or Underlying Obligor, as applicable, is given notice of a Borrower's collateral assignment to the Collateral Agent of the Borrower's rights in, to and under Underlying Financing Documents with respect to an Approved Financing pursuant to a Collateral Assignment and which includes payment instructions in respect of any amounts paid to or for the benefit of such Underlying Borrower or such Underlying Obligor, as applicable under such Underlying Financing Documents, in form and substance satisfactory to Administrative Agent and Lenders (a form of which may be attached as Exhibit B-1 at such time as Administrative Agent, Lenders and Borrowers mutually agree upon a form thereof).

"Obligations" means all (a) principal of and premium, if any, on the Loans or any L/C Credit Extension, (b) interest, expenses, fees, indemnification obligations, Extraordinary Expenses and other amounts payable by Obligors under Loan Documents, including any Letter of Credit and (c) other Debts, obligations and liabilities of any kind, in each case, owing by Obligors pursuant to the Loan Documents, whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any Insolvency Proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several.

"Obligor" means each Borrower, each Pledgor and each Guarantor.

"OFAC" means Office of Foreign Assets Control of the U.S. Treasury Department.

"Ordinary Course of Business" means with respect to each Obligor, the ordinary course of business of such Obligor, undertaken in good faith and consistent with Applicable Law and past practices.

"Organizational Documents" means with respect to any Person, its charter, certificate or articles of incorporation, bylaws, articles of organization, limited liability agreement, operating agreement, members agreement, shareholders agreement, partnership agreement, certificate of partnership, certificate of formation, voting trust agreement, or similar agreement or instrument governing the formation or operation of such Person.

"Origination Company" means with respect to an Underlying Financing, any Affiliate (other than a Borrower) of HA INC which is the original purchaser, lender or financing party and counterparty under the applicable Underlying Financing Documents and the direct or indirect seller of such Underlying Financing Documents and Approved Financing to the applicable Borrower.

"OSHA" means the Occupational Safety and Hazard Act of 1970.

"Other Agreement" means the Engagement Letter, the Guaranty, Borrowing Base Certificate, each Compliance Certificate, each

Intercompany Assignment Agreement, each Fee Letter, the Approved Bank Side Letter or other note, instrument or agreement (other than this Agreement or a Security Document) now or hereafter delivered by an Obligor or other Person by or on behalf of such Obligor to Administrative Agent or a Lender in connection with the other Loan Documents.

"Other Connection Taxes" means Taxes imposed on a Recipient due to a present or former connection between it and the taxing jurisdiction (other than connections arising from the Recipient having executed, delivered, become party to, performed obligations or received payments under, received or perfected a Lien or engaged in any other transaction pursuant to, enforced, or sold or assigned an interest in, any Loan or Loan Document).

"Other Material Underlying Event" means any of the following events with respect to an Approved Financing: (i) an Adverse Proceeding shall exist or shall have occurred in respect of any Material Underlying Financing Participant; (ii) the Underlying Borrower or following Acceptance (if the Approved Financing is an Approved Financing (G&I)), Underlying Obligors (unless the Underlying Borrower retains the obligation to insure) have failed to comply with the insurance requirements provided in the Material Underlying Financing Documents or such insurance is not in full force and effect; (iii) the execution, delivery and performance of the Material Underlying Financing Documents by the parties thereto violates in any material respect any provision of any Applicable Law; (iv) a Material Underlying Financing Participant is an individual or entity currently the subject of any Sanctions, or a Material Underlying Financing Participant, is located, organized or resident in a Designated Jurisdiction; (v) an Underlying Borrower or an Underlying Obligor thereof is in violation in any material respect of the Anti-Terrorism and Money Laundering Laws applicable to it; (vi) an Underling Borrower or an Underlying Obligor or any Subsidiary of any Underlying Borrower or Underlying Obligor is an individual or entity currently the subject of any Sanctions, or the Underlying Borrower or Underlying Obligor or any Subsidiary of an Underlying Borrower or Underlying Obligor is located, organized or resident in a Designated Jurisdiction; or (vii) a Material Underlying Financing Participant, or any Person that Controls a Material Underlying Financing Participant is in violation in any material respects of any Anti-Terrorism and Money Laundering Laws applicable to it.

"Other Taxes" means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a Lien under, or otherwise with respect to, any Loan Document, except Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.9.2).

"Outstanding Amount" means the aggregate outstanding principal amount of Loans, including L/C Advances, extended by Lenders after giving effect to any borrowings and prepayments or repayments of Loans.

"Participant" has the meaning set forth in Section 13.2.1.

"Participant Register" means has the meaning specified in Section 13.2.2.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

"Paying Agent" means The Bank of New York Mellon.

"Paying Agency Agreement" means that certain Paying Agency Agreement (Rep-Based Loan Agreement) dated as of the Closing Date between by and among HA INC, HA LLC, the Paying Agent, the Administrative Agent and the Collateral Agent.

"Payment Date" has the meaning set forth in Section 3.1.1(c).

"Payment Date Borrowing Base Certificate" has the meaning set forth in Section 8.1.1.

"Payment Item" means each check, draft or other item of payment payable to any Borrower, including those constituting proceeds of any Collateral.

"Payoff Letter" means a letter agreement among, and in form and substance satisfactory to, Borrowers, the Guarantors and the Administrative Agent confirming Full Payment and providing for the survival of certain provisions, including indemnification obligations, as set forth in Section 4.6 and as otherwise provided in the Loan Documents.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any employee pension benefit plan (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Obligor or ERISA Affiliate or to which the Obligor or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

"Permitted Debt" has the meaning set forth in Section 10.2.1.

"Permitted Disposition" means as long as no Default or Event of Default exists and all Net Proceeds are remitted to Collateral Agent for application in accordance with the terms of the Depositary Agreement, any disposition of Collateral or other Property that is (a) disposed of in accordance with Section 8.1.4; or (b) otherwise approved in writing by Administrative Agent and Required Lenders.

"Permitted Investment" means (a) Cash Equivalents that are subject to the Collateral Agent's Lien in accordance with the Depositary Agreement; (b) any Intercompany Loan (as defined in Appendix 2A, Part C) and the Underlying Financings contemplated under the Loan Documents to the extent joined to the Borrowing Base in accordance with Section 6.2; and (c) equity contributions made in cash by a

Guarantor to Borrowers for the purpose set forth in Section 10.2.15; provided that any such cash contribution shall be directly funded by such Guarantor into the Borrower Collateral Accounts for further application and deposit into the applicable Borrower subaccount in accordance with the terms of the Depositary Agreement.

"Permitted Liens" has the meaning set forth in Section 10.2.2.

"Permitted Foreclosure" means a foreclosure on the Equity Interests in any Pledgor or any transfer in lieu thereof in each case following the exercise of remedies by the Collateral Agent under and as defined in the Rhea Agreement.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority or other entity.

"Plan" means any employee benefit plan (as defined in Section 3(3) of ERISA) established by an Obligor or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, an ERISA Affiliate.

"Platform" has the meaning set forth in Section 14.3.3.

"Pledge Agreement(s)" means individually or collectively as the context requires: (a) that certain Pledge and Security Agreement dated as of the Closing Date among Pledgor HASI and Collateral Agent; (b) that certain Pledge and Security Agreement dated as of the Closing Date among Pledgor HAT I and Collateral Agent, and (c) that certain Pledge and Security Agreement dated as of the Closing Date among Pledgor HAT II and Collateral Agent.

"Pledgors" means, individually or collectively as the context requires, Pledgor HASI, Pledgor HAT I and Pledgor HAT II.

"Pledgor Certificate" means a certificate from the Pledgors substantially in the form of Exhibit D-4.

"Pledgor HASI" means Titan-Rhea Holdings (HASI) LLC, a Delaware limited liability company.

"Pledgor HAT I" means Titan-Rhea Holdings (HAT I) LLC, a Delaware limited liability company.

"Pledgor HAT II" means Titan-Rhea Holdings (HAT II) LLC, a Delaware limited liability company.

"Prepay Period" has the meaning set forth in Section 5.2.1(a)(i).

"Pre-Joining Amount" means, with respect to a Delayed Draw Financing, the aggregate amount funded by the applicable Borrower under such Delayed Draw Financing prior to the date that such Delayed Draw Financing was joined to the Borrowing Base.

"Principal Office" means for Administrative Agent, such Person's "Principal Office" as set forth on Appendix 1, or such other office or office of a third party or sub-agent, as appropriate, as such Person may from time to time designate in writing to Borrower Agent and Lenders.

"Principal Person" means any officer, director, managing member, beneficial owner of 10% or more of equity interests that are not publicly traded securities, other natural person (whether or not an employee) with primary management or supervisory responsibilities over a Borrower or the Project Portfolio or who has critical influence on or substantive control over a Borrower or the Project Portfolio, and each of their respective successors and assigns.

"Project Portfolio" means the series of Approved Financings financed with or that have otherwise become Eligible Collateral under the Loan Facility, including all Underlying Financings and other collateral securing any such Approved Financings.

"Properly Contested" means with respect to any obligation of an Obligor, (a) the obligation is subject to a bona fide dispute regarding amount or the Obligor's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with GAAP; (d) non-payment could not have a Material Adverse Effect, nor result in forfeiture or sale of any assets of the Obligor; (e) no Lien is imposed on assets of the Obligor, unless bonded and stayed to the reasonable satisfaction of Administrative Agent; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Proposal Package" has the meaning set forth in Section 7.1.1.

"Proposed Nominated Financing" has the meaning set forth in Section 7.1.2.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning set forth in Section 14.3.3.

"Qualified Investor" means any Person or entity that is (i) a financial institution rated investment grade by either Moody's, S&P, or both or (ii) has a direct or indirect parent that satisfies the financial criteria in clause (i) of this definition and such parent guarantees such Person's commitment obligations under an Approved Commitment.

"Qualified Sponsor" has the meaning set forth in Appendix 2A.

"RCRA" means the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i).

"Rate Determination Date" means two (2) Business Days prior to the day on which the applicable Borrowing Base Certificate is delivered to the Administrative Agent.

"Real Estate" means all right, title and interest (whether as owner, lessor or lessee) in any real property or any buildings, structures, parking areas or other improvements thereon.

"Receivable" means any payment or amount of fees, principal, interest, premium, prepayment or other amount required to be paid to the applicable Borrower under an Underlying Financing Document.

"Recipient" means Administrative Agent, any Lender, any Issuing Bank or any other recipient of a payment to be made by an Obligor under a Loan Document or on account of an Obligation.

"Register" has the meaning set forth in Section 5.6.2.

"Related Parties" means with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Removal Date" has the meaning set forth in Section 8.1.3(e).

"Removal Effective Date" has the meaning set forth in Section 12.5.2.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

"Required Approval" means any (a) permit, license, authorization, plan, directive, consent order, consent decree or other regulatory or governmental approval of or from any Governmental Authority, (b) any notice of filing with any Governmental Authority and (c) approval, waiver or other consent of any other Person, in each case to the extent necessary with respect to the Loan Facility, the Eligible Collateral or any Underlying Financing.

"Required Lenders" means as of any date of determination, Lenders holding more than 60% of, (a) at any time prior to the Maturity Date, the sum of the (i) Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition) and (ii) aggregate unused Commitments at such time and (b) thereafter, the Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition); provided that if on the date of determination there are two or more non-Affiliated Lenders and one Lender and its Affiliates collectively holds more than 60% of the amounts described in clauses (a) or (b) of this definition, as applicable, "Required Lenders" shall mean at least two non-Affiliated Lenders collectively holding such amounts; provided further that the Loans, L/C Obligations and unused Commitments held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided further that the amount of any participation in any Unreimbursed Amounts that such Defaulting Lender has failed to fund that has not been reallocated to and funded by another Lender shall be deemed to be held by the applicable Issuing Bank in making such determination.

"Resignation Effective Date" has the meaning set forth in Section 12.5.1.

"Resolved" means, with respect to an Approved Financing that is subject to one of the conditions set forth in clauses (iv) through (vii) of the definition of Other Material Underlying Events, that the Administrative Agent (acting at the direction of the Required Lenders in their sole discretion) has determined based on information that has been provided to it by Borrowers as well as its own internal investigation that such Approved Financing may remain a part of the Borrowing Base as Eligible Collateral as a Watched Loan; provided that the Administrative Agent (at the direction of the Required Lenders) shall have the right to re-evaluate such Approved Financing if the Administrative Agent or any Lender becomes aware of facts not previously disclosed to it or of which it was not previously aware during the initial review process.

"Restricted Investment" means any Investment by any Borrower, other than Permitted Investments.

"Restricted Payment" means (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of any Borrower now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of any Borrower now or hereafter outstanding; (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of any Borrower now or hereafter outstanding (d) management or similar fees payable to any Guarantor or any of their Affiliates and (e) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Debt.

"Rhea Agreement" means that certain Loan Agreement (Approval-Based) dated as of the Closing Date by and among certain Affiliates of the Borrowers, namely, Rhea Borrower (HASI) LLC, Rhea Borrower (HAT) LLC and Rhea Borrower (HAT II) LLC, as borrowers, and the lenders and agents party thereto.

"Royalties" means all royalties, fees, expense reimbursement and other amounts payable by any Borrower under a License.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc.

"Sanction" means any economic or financial sanctions or trade embargos administered, imposed or enforced by (a) the United States Government, including without limitation, OFAC, and the United States Department of State, (b) the United Nations Security Council, (c) the European Union, (d) Her Majesty's Treasury ("HMT"), (e) any European Union member state, or (f) any other relevant sanctions authority.

"Sanctioned Person" has the meaning set forth in Section 9.1.18(a).

"Scheduled Calculation Date" means, with respect to each Payment Date, each date that is two (2) Business Days prior to such Payment Date.

"Scheduled DD Amount" means, at any time with respect to a Delayed Draw Financing, the aggregate portion of the Aggregate DD Amount to be funded on a Credit Date by the applicable Borrower and/or Lenders, as the case may be.

"Scheduled Pre-Joining Amount" means, with respect to a Delayed Draw Financing where a Pre-Joining Amount has been funded by the applicable Borrower, that portion of the Pre-Joining Amount that the Lenders may advance against at the Applicable Valuation Percentage on the date on which such Delayed Draw Financing is joined to the Borrowing Base as such amount is set forth in the Underlying Financing Specification for such Delayed Draw Financing.

"Scheduled Unavailability Date" has the meaning set forth in Section 3.6.1(c)(ii).

"Secured Parties" means Administrative Agent, Collateral Agent, Lenders and Issuing Banks.

"Securities Account Control Agreements" mean, collectively, those securities account control agreements entered into from time to time, by and among the Borrowers, certain Affiliates of the Borrowers, the Administrative Agent, and the Bank of New York Mellon, as Intermediary and Securities Intermediary.

"Security Agreement" means that certain Security Agreement (Rep-Based) dated as of the Closing Date between each Borrower and Collateral Agent.

"Security Documents" means, the Security Agreement, the Securities Account Control Agreement, the Pledge Agreements, the Depositary Agreement, the Paying Agency Agreement and all other documents, instruments and agreements now or hereafter securing (or given with the intent to secure) any Obligations.

"Semi-annual Period" means each period of six-months, commencing on the first day of a Fiscal Year; provided that the first such period shall begin on the Closing Date and end on June 30, 2019.

"Solvency Certificate" means a certificate from the Obligors substantially in the form of Exhibit D-7.

"Solvent" means (a) with respect to any Obligor, that as of the date of determination, both (i) (A) the sum of such Obligor's debt (including contingent liabilities) does not exceed the present fair saleable value of such Obligor's present assets; (B) such Obligor's capital is not unreasonably small in relation to its business as contemplated on the Effective Date and reflected in the *pro forma* balance sheets and income statements delivered to Administrative Agent pursuant to Section 6.1.6 or with respect to any transaction contemplated by such Obligor to be undertaken after the Effective Date; and (C) such Obligor has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Obligor is "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and Applicable Laws relating to fraudulent transfers and conveyances and (b) as to any other Person, such Person (i) owns Property whose Fair Salable Value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (ii) owns Property whose present Fair Salable Value is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (iii) is able to pay all of its debts as they mature; (iv) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (v) is not "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code; and (vi) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5). "Solvent", when used in connection with any Guarantor or Pledgor, shall be calculated for such Person on a consolidated basis with the Subsidiaries of such Person.

"Specified Ground Lease Default" means with respect to an Approved Financing (Land Assets) (i) the occurrence of a default under a Ground Lease which is not cured within the applicable grace period therein (if any) and (ii) the project related to such Ground Lease has not achieved Commercial Operations.

"State/Local Obligor" means an entity that (i) is a U.S. state or U.S. county, city, township, or municipal agency, authority, body, commission, court, instrumentality, political subdivision, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions as a governmental authority, and (ii) (A) is rated by S&P or Moody's (or both) and has a credit rating of at least "BBB" by S&P (if then rated by S&P) or "Baa2" by Moody's (if then rated by Moody's) or (B) if not rated by either S&P or Moody's, has a rating that was calculated using Moody's RiskCalc or Q-Rate credit rating software and such rating is at least equal to "Baa2".

"Subsidiary" means with respect to any Person, a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of any Borrower.

"Super-Majority Lenders" means as of any date of determination, Lenders holding more than 69% of, (a) at any time prior to the Maturity Date, the sum of the (i) Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition) and (ii) aggregate unused Commitments at such time and (b) thereafter, the Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition); provided that the Loans, L/C Obligations and unused Commitments held by any Defaulting Lender shall be excluded for purposes of making a determination of the Super-Majority Lenders; provided further that the amount of any participation in any Unreimbursed Amounts that such Defaulting Lender has failed to fund that has not been reallocated to and funded by another Lender shall be deemed to be held by the applicable Issuing Bank in making such determination.

"Supplemental Borrowing Base Certificate" has the meaning set forth in Section 5.2.1(a)(i).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto." Tax" shall mean any of the foregoing.

"Termination Amount" means, with respect to an Approved Financing (other than Approved Financing (Land Assets)) as of any date of determination, the scheduled termination amount or value that would be payable as of such date of determination under the terms of the applicable Underlying Financing Agreement.

"Title IV Plan" means a Plan, excluding any Multiemployer Plan, that is subject to Title IV of ERISA.

"Total Commitments" means the aggregate Commitment of all Lenders.

"Transfer Documents" means, collectively, the transfer documents dated on or prior to the Closing Date pursuant to which underlying financings owned by the Borrowers or one or more Affiliates of the Borrowers on the Closing Date (other than the Approved Financings), if any, are transferred to the applicable Borrower by one or more Affiliates of the Borrowers.

"Trust Obligor" has the meaning set forth in Appendix 2B.

"U.S. Federal Government Obligor" means an entity that is an agency of the United States of America and the obligations of which are fully guaranteed by the full faith and credit of the United States.

"U.S. Person" means a "United States Person" (as defined in Section 7701(a)(30) of the Code).

"U.S. Tax Compliance Certificate" means a certificate, in the form of Exhibit D-7A, Exhibit D-7B, Exhibit D-7C or Exhibit -7D, as applicable and satisfactory to Administrative Agent, by which a Foreign Lender or Foreign Participant certifies compliance with Section 5.8.2(b).

"UCC" means the Uniform Commercial Code as in effect in the State of New York or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

"UCP" means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

"Underlying Borrower" means with respect to any Approved Financing, as applicable, the Land Lease Borrower, the Approved ESCO (or other "energy services company"), the trust (if a Trust Obligor) or other Person, identified in the applicable Underlying Financing Specification as an "Underlying Borrower".

"Underlying Borrower Advance" means, with respect to any Delayed Draw Financing, the portion of the advance or borrowing amount requested by the applicable Underlying Borrower from the applicable Borrower in accordance with the terms of the Underlying Financing Documents.

"Underlying Borrower Guarantor" means with respect to each Approved Financing, each Person (if any) guaranteeing the obligations of the applicable Underlying Borrower under any of the Underlying Financing Documents or otherwise providing credit support in respect of such obligations and identified as such in the Underlying Financing Specification.

"Underlying Depositary" means any depositary, collateral agent, administrative agent or paying agent or any other Person performing such similar role appointed pursuant to the Underlying Financing Documents.

"Underlying Financing" means with respect to any Approved Financing, the financing, acquisition or other transaction as described in the applicable Credit Date Certificate and the applicable Underlying Financing Specification, as such Underlying Financing Specification may

be supplemented, modified, amended, restated or replaced from time to time, and any renewals, extensions, or refinancing thereof, and all collateral securing such loan.

"Underlying Financing Agreement" means (i) with respect to any Approved Financing (Land Assets), the Land Lease Loan Agreement, (ii) with respect to any Approved Financing (G&I), the assignment schedule and related master purchase agreement (or similar agreement), and, if the Underlying Obligor is a Trust Obligor, the note purchase agreement related to such assignment schedule and master purchase agreement, and (iii) any other agreement, in each case, as identified in *Part IV* of *Exhibit A* to the applicable Underlying Financing Specification as an "Underlying Financing Agreement".

"Underlying Financing Criteria" means each of the criteria, terms and conditions set forth in Appendix 2A or B, as applicable.

"Underlying Financing Documents" means with respect to any Underlying Financing, any promissory note evidencing the obligations of the Underlying Borrower, the Underlying Financing Agreement, each Underlying Financing Project Document and all of the other documents evidencing the obligation of the applicable Underlying Borrower and applicable Underlying Obligor or representing any of the rights and interests of the applicable Borrower as lender, buyer or noteholder thereunder or delivered by or assigned or collaterally assigned to such Borrower in connection with such Underlying Financing and all documents related to the creation, perfection or maintenance of Liens granted or collateral provided to secure such Underlying Financing, as the same may be supplemented, modified, amended, restated or replaced from time to time and including those documents set forth in *Part IV* of *Exhibit A* to the applicable Underlying Financing Specification.

"Underlying Financing Project Documents" means each document listed in *Part IV* of *Exhibit A* of the applicable Underlying Financing Specification under the heading "Underlying Financing Project Documents", including the Material Underlying Financing Documents.

"Underlying Financing Specifications" means each investment specification delivered by Borrowers in the form of Appendix 3.

"Underlying Material Adverse Effect" means with respect to an Underlying Financing, the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, (a) has or could be reasonably expected to have a material adverse effect on the business, operations, Properties, prospects, condition (financial or otherwise) or the value of any Underlying Project or other material collateral securing the applicable Underlying Financing, on the enforceability of any Material Underlying Financing Document, or on the validity or priority of the applicable Borrower's Lien on any collateral under the applicable Underlying Financing Documents; (b) has or could be reasonably expected to have a material adverse effect on the business, operations, Properties, prospects or condition (financial or otherwise) of a Material Underlying Financing Participant or otherwise impairs the ability of the applicable Material Underlying Financing Participant to perform its obligations under the Underlying Financing Documents, including repayment of any obligations thereunder; or (c) has or could be reasonably expected to have a material adverse effect on the ability of Administrative Agent or any Lender or the applicable Borrower to enforce or collect any obligations under the Underlying Financing Documents or to realize upon any collateral provided pursuant to any Underlying Financing Documents.

"Underlying Obligor" means with respect to any Approved Financing, each counterparty to a Ground Lease with a Land Lease Entity, Trust Obligor, State/Local Obligor, U.S. Federal Government Obligor or Institutional Obligor or other Person identified as an "Underlying Obligor" in the Underlying Financing Specification for such Approved Financing.

"Underlying Project" means with respect to an Underlying Financing, the energy efficiency, clean energy or other sustainable infrastructure project or leasehold interest financed, directly or indirectly, by the applicable Borrower under such Underlying Financing.

"Unfunded Financing Commitment Amount" means with respect to any Delayed Draw Financing, as of any date of determination, an amount equal to the Delayed Draw Commitment Amount for such loan minus the aggregate principal amount advanced by Lenders hereunder in respect of such Delayed Draw Financing.

"Unreimbursed Amount" has the meaning set forth in Section 2.4.8.

"United States" and "U.S." means the United States of America.

"Valuation Maturity Date" means the date that is the earlier of (x) the last scheduled date for payment of principal and interest under the Underlying Financing Agreement for such Approved Financing and (y) the date set forth in the Underlying Financing Specification for such Approved Financing as the "Implied Valuation Maturity Date".

"Valuation Period" with respect to an Approved Financing, the period beginning on the applicable Determination Date and ending on the Valuation Maturity Date and with respect to a Delayed Draw Financing, the period beginning on the first Business Day after the last advance under the Delayed Draw Financing and ending on the Valuation Maturity Date.

"Valuation Report" means with respect to a Non-Fundamental Distressed Asset, a report from an Approved Consultant which provides a good faith valuation of such Non-Fundamental Distressed Asset, taking into account the breach of the applicable Non-Fundamental Representation in addition to any mitigating circumstances which may exist at the time such report is prepared.

"Voluntary Prepayment" has the meaning set forth in Section 5.2.2(a).

"Watched Loans" means any Approved Financing (i) that is subject to a default under its corresponding Underlying Financing Documents (or, in the case of any Approved Financing (Land Assets), any Ground Lease) as a result of the failure by any Underlying Borrower or any other obligor to make any payment when due under the terms of such Underlying Financing Agreement (or, in the case of any Approved Financing (Land Assets), any Ground Lease) or any other Underlying Financing Documents, following the expiration of any grace

or cure period expressly permitted for such default in such Underlying Financing Documents (or, in the case of any Approved Financing (Land Assets), any Ground Lease) (but excluding any extended grace periods or "cure rights" afforded to any lender or other Person providing construction, tax equity or other debt or equity financing to the applicable Underlying Borrower or Underlying Obligor contained in any other documents which are not Underlying Financing Documents; provided that, notwithstanding the foregoing, any Approved Financing (Land Assets) with a Ground Lease that is subject to a payment default, shall become a Watched Loan hereunder on the thirtieth (30th) day following such payment default (without regard to any cure period) unless such payment default is cured on or prior to such thirtieth (30th) day; (ii) that is subject to a bankruptcy default as a result of an Insolvency Proceeding; (iii) that is subject to any Deteriorating Credit Condition; or (iv) an Other Material Underlying Event has occurred with respect thereto.

"Weighted Average Life " for each Approved Financing, as of any date of determination, the amount obtained by dividing (a) the sum of the products obtained by multiplying the amount of each remaining scheduled principal payment for such Approved Financing, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Approved Financing.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

"Written Materials and Notices" means any written offer, report, filing, acceptance, election, approval, consent, certification, request, waiver or notice delivered with respect to an Approved Financing, excluding communications relating to administrative matters.

"Zero Value Approved Financing" means an Approved Financing (I) whose corresponding Underlying Financing Documents (or in the case of any Approved Financing (Land Assets), any Ground Lease) are (x) subject to any payment or bankruptcy default described in clause (i) or (ii) of the defined term 'Watched Loan" (other than with respect to (A) Approved Financing (Land Assets) with a Ground Lease that is subject to a payment default, which shall only become a Zero Value Approved Financing if the Modeled Ground Lease Rents for such Ground Lease are reduced by 100% in accordance with Section 8.1.3(b)(iv) and (B) any Delinquent U.S. Federal Government Contract which shall only become a Zero Value Approved Financing if the Applicable Valuation Percentage for such Delinquent U.S. Federal Government Contract is reduced to 0% in accordance with Section 8.1.3(b)(iii)), or (y)(i) subject to one of the conditions set forth in clause (iv) through and including (vii) of the definition of Other Material Underlying Events and (ii) thirty (30) days have elapsed since the date of determination by Administrative Agent, the Required Lenders, or any Obligor that any such condition occurred without such Approved Financing having been Resolved or otherwise removed from the Borrowing Base pursuant to Section 8.1.3(e) or (II) that is a Delayed Draw Financing if the applicable Borrower has failed to fund its portion of any advance required to be made by such Borrower under such Delayed Draw Financing or such Borrower is otherwise considered to be a defaulting lender or party under such Delayed Draw Financing.

"Zero Value Date" has the meaning set forth in Section 8.1.3(j).

1.2. Accounting Terms.

1.2.1. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements of the Obligors, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Debt of Borrowers and their subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

1.2.2. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrowers or Required Lenders shall so request, Administrative Agent, Lenders and Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrowers shall provide to Administrative Agent and Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the audited financial statements of the Obligors for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above. Notwithstanding anything to the contrary contained in the definition of "Capital Lease," in the event of an accounting change requiring all leases to be capitalized, only those leases that would constitute capital leases in conformity with GAAP on the date hereof shall be considered Capital Leases, and all computation of any financial ratio or requirement set forth in any Loan Document shall be made or delivered, as applicable, in accordance therewith.

1.2.3. All references herein to consolidated financial statements of the Obligors or to the determination of any amount for the Obligors on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that HA INC is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

1.3. Certain Matters of Construction. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

1.3.1. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organizational Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Sections, Exhibits, Appendixes and Schedules shall be construed to refer to Sections of, and Exhibits, Appendixes and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3.2. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

1.3.3. Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.3.4. All references to Nominal Value, Borrowing Base components, Loans, Underlying Financings, Obligations and other amounts herein shall be denominated in Dollars, unless expressly provided otherwise, and all determinations (including calculations of BB Adjusted Value, Nominal Value, Borrowing Base (and all components thereof) and financial covenants) made from time to time under the Loan Documents, shall be made in light of the circumstances existing at such time. Borrowing Base calculations shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to Administrative Agent (and not necessarily calculated in accordance with GAAP).

1.3.5. Unless otherwise specified herein or in such other Loan Document or unless the context requires otherwise, each reference to any Underlying Financing Specification, Underlying Financing, Underlying Financing Document, Underlying Borrower, Underlying Project, Underlying Financing Project Documents or Underlying Obligor shall refer to such Underlying Financing Specification, Underlying Financing, Underlying Financing Document, Underlying Borrower, Underlying Project, Underlying Financing Project Documents or Underlying Obligor with respect to the applicable Approved Financing or Nominated Financing. When an Underlying Financing is released pursuant to Section 8.1.4, such Underlying Financing shall cease to be an Approved Financing for purposes of this Agreement.

1.3.6. Unless otherwise specified herein or in such other Loan Document or the context requires otherwise, each reference to any Approved Financing shall refer, collectively, to the Underlying Financing securing such Approved Financing and all Underlying Financing Documents related thereto.

1.3.7. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.4. Currency Equivalents. Borrowers shall deliver financial statements and calculate financial covenants in Dollars. In the event that any Borrowers propose that any Underlying Financing or Approved Financing be denominated in a currency other than Dollars, the parties hereto shall enter into good faith negotiations to amend this Agreement to provide for the Dollar equivalent of any such amounts as determined by Administrative Agent on a daily or other basis to be agreed, based on a conversion rate to be agreed between Borrowers and Lenders.

1.5. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any L/C Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

SECTION 2. CREDIT FACILITIES

2.1. Loans.

2.1.1. Subject to the terms and conditions hereof, including without limitation, Section 4.3, each Lender agrees to make, prior to the Commitment Termination Date pursuant to Section 4.1, one or more loans (each such loan, a "Loan" and collectively, the "Loans") to Borrowers up to an aggregate amount equal to the Commitment of such Lender; provided that in no event shall Lenders have any obligation to honor a request for a Loan if after giving effect thereto either (I) the Availability Amount (calculated using the Adjusted Borrowing Base) is less than zero or (II) the Borrowers have failed to comply with the Interest Service Coverage Ratio Threshold for the most recent Interest Coverage Calculation Period.

2.1.2. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, Borrowers may borrow under Section 4.1, prepay under Section 5.2.2, and re-borrow under Section 4.1.

2.2. Notes. Loans and interest accruing thereon shall be evidenced by the accounts or records of Administrative Agent and the applicable Lender. As a condition precedent to the initial Advance under this Agreement and at any time thereafter if so requested by Administrative Agent (following a request therefor from a Lender) by written notice to Borrower Agent (with a copy to such Lender), Borrowers shall execute and deliver to the requesting Lender (with a copy to Administrative Agent), at least (2) Business Days prior to the applicable Credit Date for such Advance (or, if such notice is delivered after such Credit Date, promptly after receipt of such notice) a Borrower Note, which shall evidence the applicable Loan in the amount equal to the Maximum Loan Amount and shall be in addition to the accounts and record.

2.3. Use of Proceeds. The proceeds of each Advance shall be applied by Borrowers (a) to fund loans from the Borrowers to the Land Lease Borrower in accordance with the Land Lease Loan Agreement, (b) to purchase an Approved Financing from an Origination Company or reimburse an Affiliate of Borrowers that funded an Origination Company in connection with such Origination Company's acquisition of an Approved Financing, (c) to pay costs and expenses of Borrowers, in each case, in accordance with the terms in this Agreement and the other Loan Documents, (d) to pay fees and transaction expenses associated with each Advance and (e) for general corporate purposes. No portion of the proceeds of any Advance shall be used (x) to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of any Advance, is the subject of Sanctions or in any manner that will result in a violation by any Person of Sanctions, (y) in any manner that causes or might cause such Advance or the application of such proceeds to violate Regulation T, Regulation U or Regulation X or any other applicable regulation thereof or to violate the Exchange Act, or (z) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Bribery and Anti- Corruption Laws that may be applicable.

2.4. Letters of Credit.

2.4.1. General. The Letter of Credit Commitment. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.1.1., any Borrower may request from the Issuing Banks, in reliance on the agreements of the Lenders set forth in this Section, to issue, at any time and from time to time prior to the Commitment Termination Date, Letters of Credit denominated in Dollars for its own account or the account of any of its Subsidiaries in such form as is acceptable to Administrative Agent and the applicable Issuing Bank in their reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments.

2.4.2. Notice of Issuance, Amendment, Extension, Reinstatement or Renewal. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiration date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), the Borrower Agent shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to any Issuing Banks selected by it and to Administrative Agent not later than 2:00 p.m. (New York time) at least three (3) Business Days (or such later date and time as the Administrative Agent and the Issuing Bank may agree in a particular instance in their sole discretion) prior to the requested date of issuance, amendment, extension, reinstatement or renewal, as the case may be, a notice, requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, reinstated or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.4.6), the amount of such Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, reinstate or renew such Letter of Credit. If requested by the relevant Issuing Bank, the Borrower Agent also shall submit a Letter of Credit Application and reimbursement agreement in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of Letter of Credit Application and reimbursement agreement or other agreement submitted by such Borrower Agent to, or entered into by any Borrower with, such Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

2.4.3. Limitations on Amounts, Issuance and Amendment. A Letter of Credit shall be issued, amended, extended, reinstated or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving pro forma effect to such issuance, amendment, extension, reinstatement or renewal (a) the aggregate amount of the outstanding Letters of Credit issued by the Issuing Banks shall not exceed the L/C Commitment, (b) the aggregate L/C Obligations shall not exceed the L/C Sublimit, (c) the aggregate principal amount of each Lender's outstanding Loans and participations in L/C Obligations at such time shall not exceed its Commitment, (d) the total Outstanding Amount and L/C Obligations shall not exceed the Total Commitments and (e) the Borrowing Base is greater than or equal to the Aggregate Usage.

2.4.4. No Issuing Bank shall be under any obligation to issue any Letter of Credit if:

(a) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing the Letter of Credit, or any Law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Issuing Bank with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it;

(b) the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally;

(c) except as otherwise agreed by the Administrative Agent and such Issuing Bank, such Letter of Credit is in an initial stated amount less than $500,000;

(d) any Lender is at that time a Defaulting Lender, unless such Issuing Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuing Bank (in its sole discretion) to eliminate such Issuing Bank's actual or potential Fronting Exposure (after giving effect to Section 4.2.2) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such Issuing Bank has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(e) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

2.4.5. No Issuing Bank shall be under any obligation to amend any Letter of Credit if (a) such Issuing Bank would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (b) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

2.4.6. Expiration Date. Each Letter of Credit shall have a stated expiration date no later than the earlier of (i) the date that is twelve (12) months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, twelve (12) months after the then-current expiration date of such Letter of Credit) and (ii) the date that is five (5) Business Days prior to the Maturity Date.

2.4.7. Participations.

(a) By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

(b) In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent, for account of the applicable Issuing Bank, such Lender's Applicable Percentage of each L/C Disbursement made by the applicable Issuing Bank not later than 1:00 p.m. (New York time) on the Business Day specified in the notice provided by the Administrative Agent to the Lenders pursuant to Section 2.4.8 until such L/C Disbursement is reimbursed by the Borrowers or at any time after any reimbursement payment is required to be refunded to any Borrower for any reason, including after the Maturity Date. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 5.1.2 with respect to Loans made by such Lender (and Section 5.1.2 shall apply, mutatis mutandis, to the payment obligations of the Lenders pursuant to this Section 2.4), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from any Borrower pursuant to Section 2.4.8, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the applicable Issuing Bank for any L/C Disbursement shall not constitute a Loan and shall not relieve any Borrower of its obligation to reimburse such L/C Disbursement.

(c) Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Commitment is amended pursuant to the operation of Sections 2.5 or 2.6, as a result of an assignment in accordance with Section 14.1 or otherwise pursuant to this Agreement.

(d) If any Lender fails to make available to the Administrative Agent for the account of the applicable Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.4.7, then, without limiting the other provisions of this Agreement, the applicable Issuing Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the

applicable Issuing Bank in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by such Issuing Bank in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Loan or L/C Advance, as the case may be. A certificate of the applicable Issuing Bank submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (d) shall be conclusive absent manifest error.

2.4.8. Reimbursement. If an Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such Issuing Bank in respect of such L/C Disbursement by paying to Administrative Agent an amount equal to such L/C Disbursement not later than 2:00 p.m. (New York time) on (a) the Business Day that Borrower receives notice of such L/C Disbursement, if such notice is received prior to 10:00 a.m. (New York time) or (b) the Business Day immediately following the day that Borrower receives such notice, if such notice is not received prior to such time. If Borrower does not make such payment, the Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall notify each Lender of the applicable L/C Disbursement, the payment then due from Borrower in respect thereof (the "Unreimbursed Amount") and such Lender's Applicable Percentage thereof. In such event, the applicable Borrower shall be deemed to have requested an Advance of Eurodollar Rate Loans from the Lenders to be disbursed on the date of payment by the applicable Issuing Bank under a Letter of Credit in an amount equal to the Unreimbursed Amount (such advance, an "L/C Advance"), without regard to the minimum and multiples specified herein for the principal amount of Eurodollar Rate Loans, but subject to the amount of the unutilized portion of the aggregate Commitments and the conditions set forth in Section 4.1 (other than the delivery of a Notice of Borrowing). Each L/C Advance made shall be a Eurodollar Loan from the Lenders in their respective pro rata shares bearing interest at the Eurodollar Rate plus the Margin applicable to L/C Advances. The applicable Borrower's obligation to make a payment to the Issuing Bank in connection with such L/C Disbursement shall be discharged and replaced by Borrowers obligation to repay such L/C Advance. Any notice given by the applicable Issuing Bank or the Administrative Agent pursuant to this Section 2.4.8 may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.4.9. Obligations Absolute. The Borrowers' obligations to reimburse L/C Disbursements shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (a) any lack of validity or enforceability of this Agreement or any Letter of Credit, or any term or provision herein or therein, (b) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction, (c) any draft, demand, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement in such draft or other document being untrue or inaccurate in any respect, (d) waiver by any Issuing Bank of any requirement that exists for such Issuing Bank's protection and not the protection of the Borrowers or any waiver by such Issuing Bank which does not in fact materially prejudice the Borrowers, (e) payment by the respective Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, or any payment made by any Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; (f) honor of a demand for payment presented electronically even if such Letter of Credit required that demand be in the form of a draft; (g) any payment made by any Issuing Bank in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or UCP, as applicable, or (h) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. The Borrower Agent shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower Agent's instructions or other irregularity, the Borrower Agent will immediately notify the applicable Issuing Bank. The Borrowers shall be conclusively deemed to have waived any such claim against the applicable Issuing Bank and its correspondents unless such notice is given as aforesaid.

2.4.10. Role of Issuing Bank. None of the Administrative Agent, any Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the applicable Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse the applicable Issuing Bank from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by Applicable Law) suffered by the Borrowers that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, willful misconduct or willful failure to pay under any Letter of Credit on the part of the applicable Issuing Bank (as finally determined by a court of competent jurisdiction), the applicable Issuing Bank shall be deemed to have exercised care in each such determination, and that:

(a) the applicable Issuing Bank may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation;

(b) the applicable Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(c) an Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(d) this sentence shall establish the standard of care to be exercised by an Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by Applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of the Administrative Agent, the Lenders, any Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of (i) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith, or illegal conduct of the beneficiary or other Person, (ii) an Issuing Bank declining to take-up documents and make payment (A) against documents that are fraudulent, forged, or for other reasons by which that it is entitled not to honor or (B) following a Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (iii) an Issuing Bank retaining proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to such Issuing Bank.

2.4.11. Applicability of ISP and UCP. Unless otherwise expressly agreed by the applicable Issuing Bank and the Borrower Agent when a Letter of Credit is issued by such Issuing Bank (including any such agreement applicable to an existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, no Issuing Bank shall be responsible to the Borrowers for, and no Issuing Bank's rights and remedies against the Borrowers shall be impaired by, any action or inaction of such Issuing Bank required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the applicable Issuing Bank or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

2.4.12. Limitation of Liability. Each Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such Issuing Bank shall have all of the benefits and immunities (A) provided to the Administrative Agent in Section 12 with respect to any acts taken or omissions suffered by such Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Section 12 included such Issuing Bank with respect to such acts or omissions, and (B) as additionally provided herein with respect to such Issuing Bank.

2.4.13. Letter of Credit Fees. Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") with respect to each Letter of Credit equal to a rate per annum equal to 1.40% (the "Applicable L/C Rate") times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.5. Accrued fees with respect to each Letter of Credit shall be payable in arrears on each Payment Date, commencing on the first Payment Date to occur after such issuance of the Letter of Credit, on the Maturity Date and thereafter on demand, computed on a monthly basis in arrears.

2.4.14. Fronting Fee and Documentary and Processing Charges Payable to Issuing Bank. The Borrower shall pay directly to the applicable Issuing Bank for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum equal to the percentage separately agreed upon between the Borrower and such Issuing Bank, computed on the daily amount available to be drawn under such Letter of Credit on a monthly basis in arrears. Such fronting fee shall be due and payable in arrears on each Payment Date, commencing on the first Payment Date to occur after such issuance of the Letter of Credit, on the Maturity Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.5. In addition, the Borrower shall pay directly to the applicable Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

2.4.15. Disbursement Procedures. The Issuing Bank for any Letter of Credit shall, within the time allowed by Applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower Agent in writing of such demand for payment and whether such Issuing Bank has made or will make an L/C Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such L/C Disbursement.

2.4.16. Interim Interest. If the Issuing Bank for any Letter of Credit shall make any L/C Disbursement, then, unless (i) the Borrower shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made or (ii) an L/C Advance shall be deemed made with respect to such L/C Disbursement pursuant to Section 2.4.8, the unpaid amount thereof shall bear interest,

for each day from and including the date such L/C Disbursement is made to but excluding the date that the Borrower reimburses such L/C Disbursement or such L/C Advance is deemed to be made, at the rate per annum then applicable to Base Rate Loans. Any such interest shall be for the account of such Issuing Bank.

2.4.17. Replacement of any Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement between the Borrower Agent, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Sections 2.4.13 and 2.4.14, as applicable. From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such successor. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

2.4.18. Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Agent receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Obligations representing at least 66-2/3% of the total L/C Obligations) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall immediately deposit into the Cash Collateral Account an amount in cash equal to 103% of the total L/C Obligations as of such date plus any accrued and unpaid interest thereon, provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in Sections 11.1.7 or 11.1.8. Such deposit shall be held by the Collateral Agent as collateral for the payment and performance of the obligations of the Borrowers under this Agreement. In addition, and without limiting the foregoing or Section 2.4.6, if any L/C Obligations remain outstanding after the expiration date specified in Section 2.4.6, the Borrowers shall immediately deposit into the Cash Collateral Account an amount in cash equal to 103% of such L/C Obligations as of such date plus any accrued and unpaid interest thereon. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the Collateral Account. Monies in the Cash Collateral Account shall be applied to reimburse the Issuing Bank for L/C Disbursements for which it has not been reimbursed, together with related fees, costs, and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Obligations representing 66-2/3% of the total L/C Obligations), be applied to satisfy other obligations of the Borrowers under this Agreement. If the Borrowers are required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrowers within three (3) Business Days after all Events of Default have been cured or waived.

2.4.19. Conflict with L/C Documents. In the event of any conflict between the terms hereof and the terms of any L/C Document, the terms hereof shall control.

2.4.20. Grant of Security Interest. The Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Collateral Agent, for the benefit of the Agents, the Issuing Bank and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances in the Cash Collateral Account, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.4.23. If at any time any Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Collateral Agent or the Issuing Bank as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount required under Section 2.4.22 or the amount required under Section 2.4.18 or 4.2.3, as applicable, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Collateral Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (determined in the case of Cash Collateral provided pursuant to Section 4.2.3, after giving effect to Section 4.2.2 and any Cash Collateral provided by the Defaulting Lender). All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more Cash Collateral Accounts. The Borrowers shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

2.4.21. Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto including by the termination of Defaulting Lender status of the applicable Lender or (ii) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the Issuing Bank may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.4.22. Obligation to Cash Collateralize. At any time that there shall exist a Defaulting Lender, within five (5) Business Days following the written request of the Administrative Agent or Issuing Bank (with a copy to the Administrative Agent), the Borrowers shall Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined

after giving effect to Section 4.2.2) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

2.4.23. Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under Section 2.4.4, 2.4.18, 2.4.20, 2.4.22, 11.2, or 13.4.3 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

2.4.24. Letters of Credit Issued for Affiliates. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any Affiliate of the Borrowers, the Borrowers shall be obligated to reimburse, indemnify and compensate the applicable Issuing Bank hereunder for any and all drawings under such Letter of Credit as if such Letter of Credit had been issued solely for the account of a Borrower. Each Borrower irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Affiliate in respect of such Letter of Credit. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any Affiliate inures to the benefit of the Borrowers, and that the Borrowers' business derives substantial benefits from the businesses of such Affiliates.

2.5. Increase in Commitments.

2.5.1. Borrower Agent may request an increase in Commitments from time to time upon notice to Administrative Agent as long as the requested increase is in a minimum amount of $50,000,000 (or any other amount as the Administrative Agent (at the direction of the Lenders) and the Borrower Agent may mutually agree) and is offered on the same terms as existing Commitments; provided that Administrative Agent and the Lenders may impose additional fees in connection with any increased Commitment. Administrative Agent (at the direction of all the Lenders) may accept any Borrower Agent request for an increase in Commitments in its sole and absolute discretion, and if the Lenders accept such request, the Commitments may be increased in accordance with Sections 2.5.2 and 2.5.3.

2.5.2. Lenders shall have twenty (20) days to accept an offer to participate in the requested increase in Commitments by delivering written notice of the same to the Administrative Agent and any Lender not responding within such period shall be deemed to have declined an increase. The Administrative Agent shall notify the Borrowers and each Lender of the Lenders' responses to each request made hereunder. If the Lenders do not provide commitments equal to the amount of the requested increase, then, subject to the approval of the Administrative Agent and Issuing Bank, the Borrowers may invite additional Persons (other than a natural Person a Borrower or an Affiliate of a Borrower) to provide the remaining portion of the requested increase and become Lenders on the same terms that were offered to the existing Lenders (each such Person, a "New Lender").

2.5.3. Provided the conditions set forth in Section 6.2 or 6.3, as applicable, are satisfied, Total Commitments shall be increased by the requested amount (or such lesser amount committed by Lenders and New Lenders) on a date agreed upon by Administrative Agent and Borrower Agent, but no later than forty-five (45) days following Borrowers' increase request. Administrative Agent, Borrowers, and each New Lender and existing Lenders shall execute and deliver such documents and agreements as Administrative Agent deems appropriate to evidence the increase in and allocations of Commitments. Borrowers shall pay all agreed-upon fees and transaction expenses associated with each increase in Commitments pursuant to this Section 2.5. On the effective date of an increase, all outstanding Loans and other exposures under the Commitments shall be reallocated among Lenders, and settled by Administrative Agent if necessary, in accordance with Lenders' adjusted shares of such Commitments.

2.6. Termination or Reduction of Commitments.

2.6.1. On the earlier of (a) the date that is six (6) months prior to the scheduled Maturity Date and (b) the occurrence of any event set forth in Sections 11.2.1(a) or (b) (the date of any such event, the "Commitment Termination Date") the Commitments shall be automatically and permanently reduced to zero and no further Loans shall be made hereunder.

2.6.2. Notwithstanding anything to the contrary herein, Borrower Agent may, upon notice to Administrative Agent, terminate any portion or all of the Commitments once during the term of this Agreement (in addition to its rights under Section 13.4) without a penalty; provided that (a) such notice shall be in writing and must be received by the Administrative Agent not later than 2:00 p.m. (New York time) five (5) Business Days prior to the effective date of such termination or reduction, (b) any partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof and (c) the Borrower Agent shall not terminate or reduce (i) the Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Aggregate Usage would exceed the Total Commitments, or (ii) the L/C Sublimit, if after giving effect thereto, the aggregate L/C Obligations not fully Cash Collateralized hereunder would exceed the L/C Sublimit. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Commitments pursuant to this Section 2.6.2. Upon any reduction of unused Commitments, the Commitment of each Lender shall be reduced by such Lender's ratable share of the amount of such reduction. If after giving effect to any reduction or termination of Commitments hereunder, the L/C Sublimit exceeds the Total Commitments at such time, the L/C Sublimit shall be automatically reduced by the amount of such excess.

SECTION 3. INTEREST, FEES AND CHARGES

3.1. Interest.

3.1.1. Rates and Payment of Interest.

(a) Except as otherwise set forth herein, (i) each Eurodollar Rate Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof payable in arrears on each Payment Date at a rate of interest equal to the Eurodollar Rate for the applicable Interest Period plus the applicable Margin, and (ii) each Base Rate Loan made pursuant to Sections 3.5 or 3.6 shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof payable in arrears on each Payment Date at a rate of interest equal to the Base Rate in effect from time to time plus the applicable Margin (in each case, the "Applicable Interest Rate"). All computations of interest on any Loan hereunder shall include the first day and the last day of the Interest Period in effect for such Loan.

(b) During the existence of an Event of Default under Section 11.1.7 or 11.1.8, or during any other Event of Default if Administrative Agent or Required Lenders in their discretion so elect, (i) Obligations, including any interest payments on the Loans and any fees or other amounts outstanding hereunder other than Letter of Credit Fees, shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate in lieu of the interest rate otherwise payable hereunder with respect to the applicable Loans, equal to the Applicable Interest Rate plus a margin of 2% per annum and (ii) Letter of Credit Fees shall bear interest at a rate equal to the Applicable L/C Rate plus a margin of 2% per annum (the rate under clause (i) and (ii), as applicable, the "Default Rate"), payable on demand to Administrative Agent on behalf of Lender. Each Borrower acknowledges that the cost and expense to Administrative Agent and Lenders due to an Event of Default are difficult to ascertain and that the Default Rate is fair and reasonable compensation for this.

(c) Interest shall accrue from the date an Advance is made or Obligation is incurred or payable, until paid in full by Borrowers. If a Loan is repaid on the same day made, one day's interest shall accrue. Interest accrued on the Loans shall be due and payable by Borrowers in arrears, (i) on the tenth day of each calendar month during the term hereof (each a "Payment Date"); (ii) on any date of prepayment, with respect to the principal amount of Loans being prepaid; and (iii) on the Maturity Date. Unless otherwise specified, all computations of interest for Base Rate Loans, shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year), unless otherwise specified. Notwithstanding the foregoing, interest accrued at the Default Rate shall be due and payable on demand.

3.2. Fees.

3.2.1. Monthly Undrawn Fee. Until the Commitment Termination Date, Borrowers shall pay to Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a daily unused line fee equal to the product of (A) (i) the Monthly Undrawn Fee Rate divided by (ii) 365 or 366, as applicable, and (B) the greater of (i) the Total Commitments on such date minus the sum of (1) the Outstanding Amount and (2) the aggregate L/C Obligations as of such date and (ii) zero (0). Such fee shall accrue daily at all times during the term hereof, and shall be due and payable in arrears on each Payment Date and on the Commitment Termination Date.

3.2.2. Administrative Fee. Borrowers shall pay to Administrative Agent, for its own account, the fees owing to the Administrative Agent as set forth in the Bank of America Letter Agreement.

3.2.3. Ineligible Asset Fee. All Ineligible Asset Fees shall be paid as and when due as set forth herein.

3.2.4. Commitment Documents. All fees set forth in the Engagement Letter shall be paid as and when due and as set forth in such Engagement Letter.

3.2.5. Lender Fees. Borrowers shall pay to each Lender, for its own account, the fees as set forth in the Fee Letter for such Lender.

3.2.6. Issuing Bank Fees. Borrowers shall pay to the Issuing Bank, for its own account, the fees owing to the Issuing Bank as set forth in the Bank of America Letter Agreement or as separately agreed with any replacement Issuing Bank.

3.3. Computation of Interest, Fees. Each determination by Administrative Agent of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error. All fees shall be fully earned when due and shall not be subject to rebate, refund or proration. All fees payable under Section 3.2 are compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money. A certificate as to amounts payable by Borrowers under Sections 3.4 (other than Extraordinary Expenses), 3.6, 3.7, 3.8 or 5.7, submitted to Borrower Agent by Administrative Agent or the affected Lender, shall be final, conclusive and binding for all purposes, absent manifest error, and Borrowers shall pay such amounts to the appropriate party within ten (10) days following receipt of the certificate.

3.4. Reimbursement Obligations.

3.4.1. Extraordinary Expenses. Borrowers shall pay all Extraordinary Expenses. All amounts payable by Borrowers under this Section 3.4.1 shall be due and payable on demand.

3.4.2. Periodic Expenses. Borrowers shall, subject to any applicable caps in the Bank of America Letter Agreement, reimburse Agents for all reasonable and documented out-of pocket, third-party, legal, accounting, appraisal, consulting, and other reasonable and documented, out-of pocket, third-party fees, costs and expenses incurred by it in connection with (a) negotiation and preparation of any Loan Documents, including any amendment, waivers, consents or other modification thereof or to any Material Underlying Financing Documents (with respect to Material Underlying Financing Documents, solely to the extent consent of the Administrative Agent is required under Section 10.2.18); (b) the Administrative Agent's review and diligence of Eligible Nominated Financings and Proposed Nominated Financings pursuant to Section 7.1 and the administration of and actions relating to any Collateral, any Loan Document, any Advance (and the funding thereof), any Additional Collateral Event and any transactions contemplated thereby, including any actions taken to perfect or maintain priority of Collateral Agent's Liens on any Collateral, to maintain any insurance required under the Insurance Requirements or to verify Collateral, whether prepared by Administrative Agent's personnel or a third party; (c) subject to the limits of Section 10.1.3, each inspection, audit or appraisal with respect to any Obligor or Collateral, whether prepared by Administrative Agent's personnel or a third party and (d) administration of and actions relating to any Underlying Financing Document or any of the transactions contemplated thereby, including any actions taken to perfect or maintain priority of the applicable Borrower's Liens on any collateral securing any Approved Financing, to maintain any insurance required under any Underlying Financing Documents, or to verify any collateral securing any Approved Financings (provided that in the case of such amounts that are legal expenses, any such legal expenses shall be limited to a single firm of counsel for the Agents (which counsel may also represent the Lenders in the case of any such expenses arising under clause (a)). All amounts payable by Borrowers under this Section 3.4.2 shall be due and payable as provided in Section 3.3. Borrowers shall reimburse Issuing Bank for all reasonable and documented out-of pocket, third-party, legal, accounting, appraisal, consulting, and other reasonable and documented, out-of pocket, third-party fees, costs and expenses incurred by it in connection with the issuance, amendment, extension, reinstatement or renewal of any Letter of Credit or any demand for payment thereunder. No Borrower shall be required to reimburse any Lender for costs and expenses of such Lender in connection with the review of any Proposal Package or any other documents delivered pursuant to Section 7 hereof.

3.5. Illegality. If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to Borrowers through Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans shall be suspended, until such Lender notifies Administrative Agent and Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) Borrowers shall, at its option, either prepay all Eurodollar Rate Loans or convert, pursuant to written notice by Borrowers the Administrative Agent, all Eurodollar Rate Loans of such Lender to Base Rate Loans either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, Borrowers shall also pay accrued interest on the amount so prepaid or converted.

3.6. Inability to Determine Rates.

3.6.1.

(a) If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, subject to Section 3.6.1(c), (i) the Administrative Agent determines that (A) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (B) (x) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan and (y) the circumstances described in Section 3.6.1(c)(i) do not apply (in each case with respect to this clause (i), "Impacted Loans"), or (ii) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the actual cost to such Lenders of funding such Loan, Administrative Agent will promptly so notify the Borrowers and each Lender, together with information in reasonable detail to support such determination. Thereafter, (x) the obligation of Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of Section 3.6.1(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Borrowers may revoke in writing any pending request for an Advance of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for an Advance of Base Rate Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (i) of Section 3.6.1(a), the Administrative Agent, in consultation with the Borrowers, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (i) of the first sentence of this section, (2) the Administrative Agent or the Required Lender**s** notify the Administrative Agent and the Borrowers that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Applicable Law has made it unlawful, or that

any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrowers written notice thereof.

(c) If the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower Agent or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower Agent) that the Borrowers or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"); or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR;

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrowers may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes (as defined below) and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth (5th) Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; *provided* that to the extent such market practice is not administratively feasible for the Administrative Agent or no market practice for the administration of such LIBOR Successor Rate exists, such LIBOR Successor Rate shall be applied in such other manner of administration as the Administrative Agent (in consultation with the Borrower Agent determines is reasonably necessary in connection with the administration of this Agreement).

(d) If no LIBOR Successor Rate has been determined and the circumstances under clause (c)(i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower Agent and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrower Agent may revoke any pending request for a borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

For purposes hereof, "LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, Margin, timing and frequency of determining rates and making payments of interest and other administrative matters or other references to LIBOR in the Loan Documents, as may be appropriate, in the discretion of the Administrative Agent in consultation with the Borrowers, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent reasonably determines that adoption of any portion of such market practice is not administratively feasible for the Administrative Agent or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent (in consultation with the Borrower Agent) determines is reasonably necessary in connection with the administration of this Agreement).

3.7. Increased Costs; Reserves on Eurodollar Rate Loans.

3.7.1. Increased Costs Generally. If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.7.4) or any Issuing Bank;

(b) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, and (B) Taxes described in clauses (a) through (d) of the definition of Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(c) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense

affecting this Agreement or Eurodollar Rate Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such Issuing Bank, Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

3.7.2. Capital Requirements. If any Lender or any Issuing Bank determines that any Change in Law affecting such Lender or such Issuing Bank or any Lending Office of such Lender or such Lender's or such Issuing Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

3.7.3. Delay in Requests. Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to the foregoing provisions of this Section 3.7 shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation, provided that Borrowers shall not be required to compensate a Lender or any Issuing Bank pursuant to the foregoing provisions of this Section 3.7 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or such Issuing Bank, as the case may be, notifies Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

3.7.4. Reserves on Eurodollar Rate Loans. Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan; provided Borrowers shall have received at least ten (10) days' prior notice (with a copy to Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.8. Funding Losses.

3.8.1. Losses. Upon demand of any Lender (with a copy to Administrative Agent) from time to time, each Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by such Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by such Borrower pursuant to Section 13.4;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained (but excluding any loss of anticipated profit). Such Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

3.8.2. Loss Calculation. For purposes of calculating amounts payable by such Borrower to Lenders under this Section 3.8, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Applicable Interest Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.9. Maximum Interest. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (as used in this Section 3.9, "Maximum Rate"). If Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Obligations or, if it exceeds such unpaid principal, refunded to Borrowers. In determining whether the interest contracted for, charged or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest; (b) exclude Voluntary Prepayments and the effects thereof; and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 4. LOAN ADMINISTRATION

4.1. Notice of Borrowing.

4.1.1. For each request for an Advance, Borrower Agent shall deliver to Administrative Agent a fully executed and complete Notice of Borrowing not later than 11:00 a.m. (New York time) at least three (3) Business Days prior to the requested Credit Date. Each Notice of Borrowing shall be irrevocable and shall specify and include (A) the amount of the Advance, which amount when aggregated with all other Advances in respect of the Approved Financing shall not exceed the BB Nominal Value for the Approved Financing in respect of which such Advance is being made (B) the requested Credit Date for such Advance, (C) a certification that all conditions precedent to an Advance have been (or as of the requested Credit Date will be) satisfied, (D) a Borrowing Base Certificate in accordance with Section 6.2.15, (E) with respect to any Approved Subsequent Credit Date, the aggregate principal amount previously Advanced in respect of such Approved Financing, (F) the portion of the Advance, if any, that will be used by the Borrower to fund a draw request under a Delayed Draw Financing and (G) with respect to each Delayed Draw Financing, a true and complete copy of the request for borrowing (or similar request) delivered by the Underlying Borrower requesting that an advance be made under each such Delayed Draw Financing and its corresponding Underlying Financing Agreement.

4.1.2. Each Lender shall make its Applicable Percentage of each Advance available to Administrative Agent not later than 2:00 p.m. (New York time) on the applicable Credit Date, by wire transfer of same day funds in Dollars, at the Principal Office designated by Administrative Agent. Subject to the satisfaction or waiver of the applicable conditions precedent specified in this Agreement, including without limitation, the conditions set forth in Section 2.1.1 and Section 4.3 and, if applicable, the delivery of a new Borrowing Base Certificate pursuant to Section 4.1.1, Administrative Agent shall make the proceeds of each Loan available to Borrowers on the Credit Date requested by Borrowers in the Notice of Borrowing, by causing an amount of same day funds in Dollars equal to the proceeds of such Loans received by Administrative Agent from Lenders to be credited to the Loan Proceeds Account (as defined in Depositary Agreement) at the Principal Office designated by Administrative Agent or to such other account as may be designated in writing to Administrative Agent by Borrower Agent.

4.2. Defaulting Lender.

4.2.1. Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(a) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 14.1.1.

(b) Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to Section 11.4 shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Banks hereunder *third*, to Cash Collateralize any Issuing Bank's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.4.22; *fourth*, as Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan, or L/C Disbursement in respect of which such Defaulting Lender has failed to provide its portion thereof as required by this Agreement, as determined by Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.4.22; *sixth*, to the payment of any amounts owing to Lenders or any Issuing Bank as a result of any judgment of a court of competent jurisdiction obtained by any Lender or Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrowers as a result of any judgment of a court of competent jurisdiction obtained by Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in, with respect to Letters of Credit, Section 6.4, and with respect to Loans set forth in Section 6.2 or Section 6.3, as applicable, were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-

Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 4.2.2. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this pursuant to this Section 4.2.1(b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) (i) Each Defaulting Lender shall be entitled to receive fees payable under Section 3.2.1 for any period during which that Lender is a Defaulting Lender only to extent allocable to the sum (1) of the outstanding principal amount of the Loans funded by it and (2) its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.4.18 or 2.4.20. (ii) Each Defaulting Lender shall be entitled to receive fees payable under Section 2.4.13 for any period during which that Lender is a Defaulting Lender only to extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.4.18 or 2.4.20. (ii) With respect to any fee payable under Section 2.4.13 or Section 3.2.1 not required to be paid to any Defaulting Lender pursuant to clause (i) or (ii) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to Section 4.2.2 below, (y) pay to each Issuing Bank the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's Fronting Exposure to such Defaulting Lender to the extent not Cash Collateralized pursuant to Section 2.4.22, and (z) not be required to pay the remaining amount of any such fee.

4.2.2. Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate principal amount of any Non-Defaulting Lender's outstanding Loans and participations in L/C Obligations at such time to exceed such Non-Defaulting Lender's Commitment. Subject to Section 14.16, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

4.2.3. Cash Collateral. If the reallocation described in Section 4.2.2 above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under Applicable Law, Cash Collateralize the Issuing Lender's Fronting Exposure in accordance with the procedures set forth in Section 2.4.22.

4.2.4. Defaulting Lender Cure. If Borrowers, Administrative Agent and Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by Lenders in accordance with their Applicable Percentages (without giving effect to Section 4.2.2), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

4.2.5. New Letters of Credit. So long as any Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, extend, increase, reinstate or renew any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

4.3. Borrowing Base Limits. Subject to any different amounts or percentages as the Administrative Agent (at the direction of the Required Lenders) and Borrower Agent may mutually agree, each Approved Financing shall be subject to the following specified limits:

4.3.1. Approved Financing (G&I).

(a) The portion of the Borrowing Base attributable to any single Approved Financing (G&I), other than in relation to the Existing Forward Sold Asset, shall not exceed $50,000,000 in the aggregate; provided that the Borrowing Base attributable to any such Approved Financing (G&I) that satisfies the Approved Commitment Conditions shall not count towards such $50,000,000 Borrowing Base limit.

(b) The Borrowers shall not exceed the applicable concentration limits set forth in Part E to Appendix 2B.

4.3.2. Approved Financing (Land Assets).

(a) The portion of the Borrowing Base attributable to any single Underlying Obligor, in each case in relation to any Approved Financing (Land Assets), shall not exceed $50,000,000 in the aggregate.

(b) The portion of the Borrower Base attributable to Non-Qualified Sponsors shall not exceed (i) $5,000,000 for any single Non-Qualified Sponsor, and (ii) $10,000,000 in the aggregate for all Non-Qualified Sponsors.

4.3.3. Approved Financing (Non-Eligible Deferred Amortization Notes). The portion of the Borrowing Base

attributable to all Approved Financing (Non-Eligible Deferred Amortization Notes) other than the Existing Forward Sold Asset, shall not exceed $50,000,000 in the aggregate; provided that the Borrowing Base attributable to any such Approved Financing (Non-Eligible Deferred Amortization Notes) that satisfies the Approved Commitment Conditions shall not count towards such $50,000,000 Borrowing Base limit.

4.3.4. Committed Take-Out Exclusion. Notwithstanding anything to the contrary in this Section 4.3, the Borrowing Base of an Approved Financing (G&I), including an Approved Financing (Non-Eligible Deferred Amortization Notes), shall be excluded from the $50,000,000 Borrowing Base limits in Sections 4.3.1 and 4.3.3, respectively, if: (a) the applicable Borrower under such Approved Financing (G&I) has entered into a committed take out agreement with a Qualified Investor in the form of Annex II to Appendix 2B or otherwise satisfactory to the Required Lenders (such take out agreement, an "Approved Commitment"), pursuant to which such Qualified Investor agrees to purchase such Approved Financing (G&I), (b) the only conditions to such Qualified Investor's obligation to purchase such Approved Financing (G&I) are set forth in the Approved Commitment, (c) the Borrowers shall reasonably believe that each of the conditions to such Qualified Investor's obligation to purchase such Approved Financing (G&I) will be satisfied on or prior to the date on which such Qualified Investor's obligation to purchase terminates, (d) the purchase price shall be greater than or equal to the Borrowing Base of such Approved Financing (G&I) and (e) the Borrowing Base of such Approved Financing does not exceed $75,000,000 (and each of the foregoing shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1 on the date on which such Approved Financing (G&I) is joined as Eligible Collateral to the Borrowing Base) (the conditions in clauses (a) through (e), collectively, the "Approved Commitment Conditions").

4.4. Borrower Agent. Each Borrower hereby designates Borrower HASI ("Borrower Agent") as its representative and agent for all purposes under the Loan Documents, including requests for Loans, designation of interest rates, delivery or receipt of communications, preparation and delivery of Borrower Materials, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Loan Documents (including in respect of compliance with covenants), and all other dealings with Administrative Agent or any Lender. Borrower Agent hereby accepts such appointment. Administrative Agent and Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any notice of borrowing) delivered by Borrower Agent on behalf of any Borrower. Administrative Agent and Lenders may give any notice or communication with any Borrower hereunder to Borrower Agent on behalf of such Borrower. Each of Administrative Agent and Lenders shall have the right, in its discretion, to deal exclusively with Borrower Agent for any or all purposes under the Loan Documents. Each Borrower agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by Borrower Agent shall be binding upon and enforceable against it.

4.5. One Obligation. The Loans and other Obligations constitute one general obligation of Borrowers and are secured by Collateral Agent's Lien on all Collateral; provided, however, that each Agent and each Lender shall be deemed to be a creditor of, and the holder of a separate claim against, each Borrower to the extent of any Obligations jointly or severally owed to such Lender by such Borrower.

4.6. Effect of Termination. Until Full Payment of all the Obligations, all undertakings of Borrowers contained in the Loan Documents shall continue, and Administrative Agent shall retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents. Sections 2.4.24, 3.7, 3.8, 5.4, 5.7, 5.9.1, 5.9.2, 5.10, 14.2, this Section 4.6, and each indemnity or waiver given by an Obligor or Lender in any Loan Document, shall survive Full Payment of the Obligations.

SECTION 5. PAYMENTS

5.1. General Payment Provisions.

5.1.1. General. All payments to be made by Borrowers shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrowers hereunder shall be made to Administrative Agent, for the account of the respective Lenders to which such payment is owed, at Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. (New York time) on the date specified herein. Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by Administrative Agent after 2:00 p.m. (New York time) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

5.1.2. Funding by Lenders; Presumption by Administrative Agent. Unless Administrative Agent shall have received notice from a Lender prior to the proposed date of any Advance of Eurodollar Rate Loans (or, in the case of any Advance of Base Rate Loans, prior to 2:00 p.m. (New York time) on the date of such Advance) that such Lender will not make available to Administrative Agent such Lender's share of such Advance, Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.1.2 (or, in the case of an Advance of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.1.2) and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Advance available to Administrative Agent, then such Lender and Borrowers severally agree to pay to Administrative Agent forthwith on

demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to Borrowers to but excluding the date of payment to Administrative Agent, at (a) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by Administrative Agent in connection with the foregoing, and (b) in the case of a payment to be made by Borrowers, the interest rate applicable to Base Rate Loans. If Borrowers and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to each Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Advance to Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Advance. Any payment by Borrowers shall be without prejudice to any claim Borrowers may have against a Lender that shall have failed to make such payment to Administrative Agent.

5.1.3. Payments Accompanied by Interest. All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

5.1.4. Payments by Borrower; Presumptions by Administrative Agent. Unless Administrative Agent shall have received notice from Borrowers prior to the date on which any payment is due to Administrative Agent for the account of Lenders or Issuing Bank hereunder that Borrowers will not make such payment, Administrative Agent may assume that Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to Lenders or Issuing Bank, as the case may be, the amount due. In such event, if Borrowers have not in fact made such payment, then each of Lenders or the Issuing Bank, as the case may be, severally agrees to repay to Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation. A notice from Administrative Agent to any Lender, the Issuing Bank or Borrower Agents with respect to any amount owing under this Section 5.1.4 shall be conclusive, absent manifest error.

5.1.5. Failure to Satisfy Conditions Precedent. If any Lender makes available to Administrative Agent funds for any Advance to be made by such Lender as provided in the foregoing provisions of this Section 5, and such funds are not made available to Borrowers by Administrative Agent because the conditions to the applicable Advance set forth in Section 6.2 or Section 6.3, as applicable, are not satisfied or waived in accordance with the terms hereof, Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

5.1.6. Obligations of Lenders Several. The obligations of Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments pursuant to Section 14.2.2 are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 14.2.2 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 14.2.2.

5.1.7. Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

5.1.8. Consent to Charge of Borrower Collateral Accounts. Each Borrower hereby authorizes Administrative Agent to instruct Collateral Agent to, upon the failure by Borrowers to pay any amount due hereunder when the same becomes payable, instruct the Depositary to, pursuant to the terms of Depositary Agreement, charge Borrower Collateral Accounts in order to cause timely payment of such unpaid amounts to be made to Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

5.1.9. Borrower Setoff; Counterclaim. Each Borrower consents to the following Section 5.5.5 and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to such foregoing arrangements may exercise against any Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

5.2. Repayment of Loans. The Outstanding Amount as well as all other amounts due and payable under the Loan Documents shall be due and payable on the Maturity Date, unless payment is sooner required or accelerated hereunder in which case such Outstanding Amount shall be due and payable on such sooner or accelerated date.

5.2.1. Mandatory Prepayments.

(a) If on any date the Aggregate Usage exceeds the then applicable Borrowing Base (including if due to the exclusion of a Watched Loan from the calculation of the Borrowing Base, reductions in any Applicable Valuation Percentages, reductions in Modeled Ground Lease Rents or a Collateral Release, in each case, pursuant to Section 8.1), Borrowers shall prepay the Loans in an amount sufficient to reduce the Aggregate Usage to the then applicable Borrowing Base amount as follows:

If on any date the Aggregate Usage:

(i) is greater than 105% of the current Borrowing Base amount as determined by reference to the most recently delivered Borrowing Base Certificate (the "Initial Borrowing Base Certificate"), then Borrowers shall, no later than the earlier of (A) five (5) Business Days from either the Administrative Agent's written approval of the Initial Borrowing Base Certificate pursuant to Section 8.1.3 or its delivery of a revised certificate in response to the Initial Borrowing Base Certificate and (B) the first Business Day of the calendar month that immediately succeeds the month in which the Initial Borrowing Base Certificate was delivered to the Administrative Agent (the "Prepay Period") prepay the outstanding principal amount of the Loans in an amount necessary to reduce the Aggregate Usage to an amount less than or equal to 100% of such Borrowing Base amount; provided that Borrowers may request that an Approved Financing, Cash, and/or Cash Equivalents, in each case, not previously included within the Initial Borrowing Base Certificate calculation, be added to the Borrowing Base as Eligible Collateral prior to the expiration of the Prepay Period. In the event that such Approved Financing if added to the Borrowing Base using an agreed BB Nominal Value and BB Adjusted Value (together with any Cash and Cash Equivalents added to the Borrowing Base as permitted hereunder), would cause the Borrowing Base to equal or exceed the Aggregate Usage, as evidenced by a new Borrowing Base Certificate that has been approved by Administrative Agent (the "Supplemental Borrowing Base Certificate"), and such new Approved Financing, Cash and/or Cash Equivalents is subsequently added to the Borrowing Base (following the satisfaction of conditions precedent set forth in this Agreement including, without limitation Section 6.2 with respect to Approved Financings) as an Approved Additional Collateral Event prior to the expiration of the Prepay Period, Borrowers will no longer be obligated to prepay the Loans as a result of the original over-advance; provided that if, following the approval of the Supplemental Borrowing Base Certificate and addition to the Borrowing Base of such new Approved Financing, Cash and/or Cash Equivalents, the Aggregate Usage would still exceed the Borrowing Base amount as determined pursuant to the Supplemental Borrowing Base Certificate, Administrative Agent may, and at the request of Borrower Agent (so long as no Event of Default has occurred and is then continuing) shall, immediately thereafter apply any and all funds in Borrower Collateral Accounts to prepay the Loans until such time (but in no event later than the expiration of the Prepay Period) as the Aggregate Usage is equal to or less than the Borrowing Base amount; provided further that, nothing herein shall relieve the Borrowers of their obligation to repay the Loans no later than the expiration of the Prepay Period if the inclusion of an Approved Financing, Cash, Cash Equivalents and/or sweeping of the Borrower Collateral Accounts do not otherwise reduce the Aggregate Usage to an amount less than or equal to the Borrowing Base as determined by reference to the Initial Borrowing Base Certificate or the Supplemental Borrowing Base Certificate if an Approved Financing, Cash and/or Cash Equivalents was added to the Borrowing Base prior to the end of the Prepay Period. To the extent the provisions of this Section 5.2.1(a)(i) are applicable, Borrowers shall indicate to Administrative Agent on each date a Borrowing Base Certificate is delivered whether Borrowers will elect to provide new Approved Financings, Cash or Cash Equivalents or otherwise prepay the Loans; or

(ii) is greater than 100% but equal to or less than 105% of the then current Borrowing Base amount as determined by reference to the most recently delivered Borrowing Base Certificate, then, Borrowers shall cause all amounts on deposit in Borrower Collateral Accounts to be applied on (I) the earlier of the (x) Payment Date immediately following the delivery of such Borrowing Base Certificate and (y) the date that is five (5) Business Days after the approval by the Administrative Agent of such Borrowing Base Certificate or Administrative Agents delivery of a revised certificate in response to such Borrowing Base Certificate and (II) on each Payment Date thereafter, in each case, to prepay the principal amount of the Loan Facility in accordance with the terms of the Depositary Agreement until such time as the Aggregate Usage is equal to or less than 100% of the then current Borrowing Base amount,

(b) If on any date, the Interest Service Coverage Ratio as of the end of the most recent Interest Coverage Calculation Period is less than the Interest Service Coverage Ratio Threshold for such Interest Coverage Calculation Period, Borrowers shall, no later than five (5) Business Days after the last day of such period, prepay the outstanding principal amount of the Loans in an amount sufficient to cause such Interest Service Coverage Ratio to be at least equal to such Interest Service Coverage Ratio Threshold, as evidenced by a new Borrowing Base Certificate that has been delivered by Borrowers to Administrative Agent following such payment, and subsequently approved by Administrative Agent.

(c) All of the Loans shall become due and payable in full and Borrowers shall repay all Loans in full immediately upon the consummation of a merger or consolidation of any Obligor not permitted under Section 15(b)(ix) of the Guaranty or an acquisition by any Obligor not permitted under Section 15(b)(x) of the Guaranty.

(d) Any such Mandatory Prepayment shall be applied as specified in Section 5.5.

5.2.2. Voluntary Prepayments.

(a) On any day, Borrowers may, at its option, prepay the Loans, together with accrued interest thereon, in whole or in part, without penalty or premium except as set forth in Section 3.8 ("Voluntary Prepayment").

(b) All such Voluntary Prepayments shall be made only upon prior irrevocable written notice given to Administrative Agent not less than (i) if the Loans being prepaid are Eurodollar Rate Loans, by 2:00 p.m. (New York time) three (3) Business Days' prior to the requested date of prepayment and (ii) if the Loans being prepaid are Base Rate Loans, by 2:00 p.m. (New York time) on the date of prepayment; provided that, such irrevocable written notice shall specify the Loans being prepaid and the amount of such prepayment (and Administrative Agent will promptly transmit such notice by facsimile or telephone to each Lender); provided further that any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof and any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Any such Voluntary Prepayment shall be applied as specified in Section 5.5.

5.3. Payment of Other Obligations. Obligations other than Loans and Extraordinary Expenses, shall be paid by Borrowers as provided in the Loan Documents or, if no payment date is specified, on demand.

5.4. Marshaling; Payments Set Aside. None of Administrative Agent, Issuing Banks or Lenders shall be under any obligation to marshal any assets in favor of any Obligor or against any Obligations. If any payment by or on behalf of Borrowers is made to Administrative Agent, any Issuing Bank or any Lender, or if Administrative Agent or any Lender or Issuing Bank exercises a right of setoff, and any of such payment or setoff is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent, such Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other Person, then the Obligation originally intended to be satisfied, and all Liens, rights and remedies relating thereto, shall be revived and continued in full force and effect as if such payment or setoff had not occurred.

5.5. Application and Allocation of Payments.

5.5.1. Payments Generally. Payments made by Borrowers hereunder shall be applied in accordance with the terms of the Depositary Agreement.

5.5.2. Post-Default Allocation. During an Event of Default, monies to be applied to the Obligations, whether arising from payments by Obligors, realization on Collateral, setoff or otherwise, shall be allocated in accordance with Section 4.4(c) of the Depositary Agreement.

5.5.3. Reduction of Principal. Notwithstanding anything to the contrary contained herein, the Outstanding Amount shall be reduced in connection with and in an amount equal to any Voluntary Prepayment or Mandatory Prepayment of the principal amount of the Loan.

5.5.4. Erroneous Application. Administrative Agent shall not be liable for any application of amounts made by it in good faith and, if any such application is subsequently determined to have been made in error, the sole recourse of any Lender or other Person to which such amount should have been made shall be to recover the amount from the Person that actually received it (and, if such amount was received by a Secured Party, the Secured Party agrees to return it).

5.5.5. Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of Loans made by it, or the participations in L/C Obligations held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then such Lender receiving such greater proportion shall (a) notify Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by all Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section 5.5.5 shall not be construed to apply to (i) any payment made by or on behalf of such Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) (ii) the application of Cash Collateral provided for in Section 2.4.21 or 2.4.23, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations to any assignee or participant, other than an assignment to a Borrower (as to which the provisions of this Section 5.5.5 shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrowers' rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Borrower in the amount of such participation.

5.6. Evidence of Debt; Register; Lender's Books and Records.

5.6.1. Evidence of Debt. The Advances and L/C Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by Administrative Agent in the ordinary course of business. The accounts or records maintained by Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Advances and L/C Credit Extensions made by Lenders to Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of Administrative Agent in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

5.6.2. Register. Administrative Agent (or its agent or sub-agent appointed by it) shall maintain at its Principal Office a register for the recordation of the names and addresses of each Lender and the Loans and L/C Obligations of each Lender from time to time (the "Register"). The Register shall be available for inspection by Borrowers or Lenders (with respect to any entry relating to

such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Loans in accordance with the provisions of this Section 5.6.2, and each repayment or prepayment in respect of the Outstanding Amount, and any such recordation shall be conclusive and binding on Borrowers and Lenders, absent manifest error; provided that failure to make any such recordation, or any error in such recordation, shall not affect any Borrower's Obligations in respect of any Loan. Each Borrower hereby designates Administrative Agent to serve as such Borrower's agent solely for purposes of maintaining the Register as provided in this Section 5.6.2, and each Borrower hereby agrees that, to the extent Administrative Agent serves in such capacity, Administrative Agent and its officers, directors, employees, agents, sub-agents and affiliates shall constitute "Indemnitees."

5.7. Taxes. For purposes of this Section, the term "Lender" includes any Issuing Bank.

5.7.1. Payments Free of Taxes; Obligation to Withhold; Tax Payment.

(a) All payments of Obligations by Obligors shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If Applicable Law (as determined by Administrative Agent in its sole discretion exercised in good faith) requires the deduction or withholding of any Tax from any such payment by Administrative Agent or an Obligor, then Administrative Agent or such Obligor shall be entitled to make such deduction or withholding based on information and documentation provided pursuant to Section 5.8.2.

(b) If Administrative Agent or any Obligor is required by the Code to withhold or deduct Taxes, including backup withholding and withholding Taxes, from any payment, then (i) Administrative Agent shall pay the full amount that it determines is to be withheld or deducted to the relevant Governmental Authority pursuant to the Code, and (ii) to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(c) If Administrative Agent or any Obligor is required by any Applicable Law other than the Code to withhold or deduct Taxes from any payment, then (i) Administrative Agent or such Obligor, to the extent required by Applicable Law, shall timely pay the full amount to be withheld or deducted to the relevant Governmental Authority, and (ii) to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

5.7.2. Payment of Other Taxes. Without limiting the foregoing, Borrowers shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at Administrative Agent's option, timely reimburse Administrative Agent for payment of, any Other Taxes.

5.7.3. Tax Indemnification.

(a) Each Borrower shall indemnify and hold harmless each Recipient against any Indemnified Taxes (including those imposed or asserted on or attributable to amounts payable under this Section 5.7) payable or paid by a Recipient or required to be withheld or deducted from a payment to a Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. To the extent that any Lender fails for any reason to pay indefeasibly to Administrative Agent as required pursuant to this Section 5.7, such Lender shall become a Defaulting Lender, and each Borrower shall indemnify and hold harmless Administrative Agent against such amount. Each Borrower shall make payment in accordance with Section 3.4 for any amount or liability payable under this Section 5.7. A certificate as to the amount of such payment or liability delivered to Borrower Agent by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of any Recipient, shall be conclusive absent manifest error.

(b) Each Lender shall indemnify and hold harmless, on a several basis, (i) Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent Borrowers have not already paid or reimbursed Administrative Agent therefor and without limiting Borrowers' obligation to do so), (ii) Administrative Agent and Obligors, as applicable, against any Taxes attributable to such Lender's failure to maintain a Participant register as required hereunder, and (iii) Administrative Agent and Obligors, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent or an Obligor in connection with any Obligations, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Lender shall make payment after demand for any amount or liability payable under this Section 5.7. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error.

5.7.4. Evidence of Payments. If Administrative Agent or an Obligor pays any Taxes pursuant to this Section 5.7, then upon request, Administrative Agent shall deliver to Borrower Agent or Borrower Agent shall deliver to Administrative Agent, respectively, a copy of a receipt issued by the appropriate Governmental Authority evidencing the payment, a copy of any return required by Applicable Law to report the payment, or other evidence of payment reasonably satisfactory to Administrative Agent or Borrower Agent, as applicable. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 5.7.4.

5.7.5. Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, nor have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of a Lender. If a Recipient determines in its discretion that it has received a

refund of any Taxes as to which it has been indemnified by Borrowers or with respect to which Borrowers have paid additional amounts pursuant to this Section 5.7, it shall pay Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by Borrowers with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that Borrowers agree, upon request by the Recipient, to repay the amount paid over to Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient if the Recipient is required to repay such refund to the Governmental Authority. Notwithstanding anything herein to the contrary, no Recipient shall be required to pay any amount to Borrowers if such payment would place the Recipient in a less favorable net after-Tax position than it would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. In no event shall Administrative Agent or any Recipient be required to make its Tax returns (or any other information relating to its Taxes that it deems confidential) available to any Obligor or other Person.

5.7.6. Survival. Each party's obligations under this Section 5.7 and Section 5.8 shall survive the resignation or replacement of Administrative Agent or any assignment of rights by or replacement of a Lender, the termination of the Commitments, and the repayment, satisfaction, discharge or Full Payment of any Obligations.

5.8. Lender Tax Information. For purposes of this Section, the term "Lender" includes any Issuing Bank.

5.8.1. Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower Agent and Administrative Agent, at the time or times reasonably requested by Borrower Agent or Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower Agent or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower Agent or Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Borrower Agent or Administrative Agent as will enable Borrower Agent or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.8.2(a), (b) and (d) below) shall not be required if in Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

5.8.2. Documentation. Without limiting the generality of the foregoing, if any Borrower is a U.S. Person:

(a) any Lender that is a U.S. Person shall deliver to Borrower Agent and Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower Agent or Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower Agent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower Agent or Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such Tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate in the form of Exhibit D-7A to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code ("U.S. Tax Compliance Certificate"), and (y) executed originals of IRS Form W-8BEN or IRS Form W-BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-7B or Exhibit D-7C, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-7D on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower Agent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower Agent or Administrative Agent), executed

originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit Borrower Agent or Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower Agent and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower Agent or Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower Agent or Administrative Agent as may be necessary for Borrower Agent and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

5.8.3. Redelivery of Documentation. Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 5.8 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower Agent and Administrative Agent in writing of its legal inability to do so.

5.9. Mitigation Obligations; Replacement of Lenders. For purposes of this Section, the term "Lender" includes any Issuing Bank.

5.9.1. Designation of a Different Lending Office. If any Lender requests compensation under Section 3.7, or requires Borrowers to pay any Indemnified Taxes or additional amounts to any Lender, Issuing Bank or any Governmental Authority for the account of any Lender or Issuing Bank pursuant to Section 5.7, or if any Lender gives a notice pursuant to Section 3.5, then at the request of Borrowers such Lender or Issuing Bank, as applicable, shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or Issuing Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.7 or 5.7, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.5, as applicable, and (ii) in each case, would not subject such Lender or Issuing Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or Issuing Bank, as the case may be. Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender or any Issuing Bank in connection with any such designation or assignment.

5.9.2. Replacement of Lenders. If any Lender requests compensation under Section 3.7, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.7 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 5.9.1, Borrowers may replace such Lender in accordance with Section 13.4.

5.9.3. No Waiver. Notwithstanding anything in this Section 5.9, any replacement of an affected Lender shall not be deemed to be a waiver of any rights that any Borrower, any Agent or any other Lender shall have against such affected Lender.

5.9.4. Changes to Commitment. No amount of the applicable Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this Section 5.9, performance by each Borrower of its obligations under this Agreement and the other Loan Documents shall not be excused or otherwise modified, as a result of any default in the making of an Advance (a "Funding Default") or the operation of this Section 5.9. The rights and remedies against a Defaulting Lender under this Section 5.9 are in addition to other rights and remedies that each Borrower may have against such Defaulting Lender with respect to any Funding Default and that Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

5.10. Nature and Extent of Each Borrower's Liability.

5.10.1. Joint And Several Liability. Each Borrower agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to each Agent and Lenders the prompt payment and performance of, all Obligations and all agreements under the Loan Documents. Each Borrower agrees that its guaranty obligations hereunder constitute a continuing guaranty of payment and not of collection, that such obligations shall not be discharged until Full Payment of all the Obligations, and that such obligations are absolute and unconditional, irrespective of (a) the genuineness, validity, regularity, enforceability, subordination or any future modification of, or change in, any Obligations or Loan Document, or any other document, instrument or agreement to which any Obligor is or may become a party or be bound; (b) the absence of any action to enforce this Agreement (including this Section 5.10) or any other Loan Document, or any waiver, consent or indulgence of any kind by Agent or any Lender with respect thereto; (c) the existence, value or condition of, or failure to perfect a Lien or to preserve rights against, any security or guaranty for the Obligations or any action, or the absence of any action, by any Agent or any Lender in respect thereof (including the release of any security or guaranty); (d) the insolvency of any Obligor; (e) any election by any Agent or any Lender in an Insolvency Proceeding for the application of Section 1111(b)(2) of the Bankruptcy Code; (f) any borrowing or grant of a Lien by any other Borrower, as debtor-in-possession under Section 364 of the Bankruptcy Code or otherwise; (g) the disallowance of any claims of Agent or any Lender against any Obligor for the repayment of any Obligations under Section 502 of the Bankruptcy Code or otherwise; or (h) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, except Full Payment of all Obligations.

5.10.2. Waivers.

(a) Each Borrower expressly waives all rights that it may have now or in the future under any statute, at common law, in equity or otherwise, to compel Agents or Lenders to marshal assets or to proceed against any Obligor, other Person or security for the payment or performance of any Obligations before, or as a condition to, proceeding against such Borrower. Each Borrower waives all defenses available to a surety, guarantor or accommodation co-obligor other than Full Payment of all Obligations and waives, to the maximum extent permitted by law, any right to revoke any guaranty of any Obligations as long as it is a Borrower. It is agreed among each Borrower, Agents and Lenders that the provisions of this Section 5.10 are of the essence of the transaction contemplated by the Loan Documents and that, but for such provisions, Agents and Lenders would decline to make Loans. Each Borrower acknowledges that its guaranty pursuant to this Section 5.10 is necessary to the conduct and promotion of its business, and can be expected to benefit such business.

(b) Agents and Lenders may, in their discretion, pursue such rights and remedies as they deem appropriate, including realization upon Collateral by judicial foreclosure or nonjudicial sale or enforcement, without affecting any rights and remedies under this Section 5.10. If, in taking any action in connection with the exercise of any rights or remedies, any Agent or any Lender shall forfeit any other rights or remedies, including the right to enter a deficiency judgment against any Borrower or other Person, whether because of any Applicable Laws pertaining to "election of remedies" or otherwise, each Borrower consents to such action and waives any claim based upon it, even if the action may result in loss of any rights of subrogation that any Borrower might otherwise have had. Any election of remedies that results in denial or impairment of the right of any Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Obligations. Each Borrower waives all rights and defenses arising out of an election of remedies, such as nonjudicial foreclosure with respect to any security for the Obligations, even though that election of remedies destroys such Borrower's rights of subrogation against any other Person. Agents may bid all or a portion of the Obligations at any foreclosure, trustee or other sale, including any private sale, and the amount of such bid need not be paid by Agents but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether any Agent or any other Person is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral, and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this Section 5.10, notwithstanding that any present or future law or court decision may have the effect of reducing the amount of any deficiency claim to which any Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

5.10.3. Extent of Liability; Contribution.

(a) Notwithstanding anything herein to the contrary, each Borrower's liability under this Section 5.10 shall be limited to the greater of (i) all amounts for which such Borrower is primarily liable, as described below, and (ii) such Borrower's Allocable Amount.

(b) If any Borrower makes a payment under this Section 5.10 of any Obligations (other than amounts for which such Borrower is primarily liable) (a "Guarantor Payment") that, taking into account all other Guarantor Payments previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payments in the same proportion that such Borrower's Allocable Amount bore to the total Allocable Amounts of all Borrowers, then such Borrower shall be entitled to receive contribution and indemnification payments from, and to be reimbursed by, the other Borrower for the amount of such excess, ratably based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment. The "Borrower Allocable Amount" for any Borrower shall be the maximum amount that could then be recovered from such Borrower under this Section 5.10 without rendering such payment voidable under any Fraudulent Transfer Law.

(c) Nothing contained in this Section 5.10 shall limit the liability of any Borrower to pay Loans made directly or indirectly to that Borrower (including Loans advanced to any other Borrower and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower), and all accrued interest, fees, expenses and other related Obligations with respect thereto, for which such Borrower shall be primarily liable for all purposes hereunder.

5.10.4. Joint Enterprise. Each Borrower has requested that Agents and Lenders make this Loan Facility available to Borrowers on a combined basis, in order to finance Borrowers' business most efficiently and economically. Borrowers' business is a mutual and collective enterprise, and the successful operation of each Borrower is dependent upon the successful performance of the integrated group. Borrowers believe that extension of the Loan Facility will enhance the business of each Borrower and ease administration of the Loan Facility, all to their mutual advantage. Borrowers acknowledge that Agents' and Lenders' willingness to extend credit and to administer the Collateral on a combined basis hereunder is done solely as an accommodation to Borrowers and at Borrowers' request.

5.10.5. Subordination. Each Borrower hereby subordinates any claims, including any rights at law or in equity to payment, subrogation, reimbursement, exoneration, contribution, indemnification or set off, that it may have at any time against any other Obligor, howsoever arising, to the Full Payment of all Obligations.

5.11. Fraudulent Transfer Laws. Anything contained in this Agreement and the other Loan Documents to the contrary notwithstanding, the Obligations of Borrowers hereunder, solely to the extent that such Borrower did not receive proceeds of Loans from any borrowing hereunder, shall be limited to a maximum aggregate amount equal to the largest amount that would not render its Obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under §548 of the Bankruptcy Code, 11 U.S.C. § 548, or any applicable provisions of comparable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of Borrowers, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of Borrowers in respect of intercompany Debt to any other Obligor or Affiliates of any other Obligor to the extent that such Debt would be discharged in an amount equal to the amount paid by such Obligor hereunder) and after giving effect as assets to the value (as determined

under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of Borrowers pursuant to (i) Applicable Law or (ii) any agreement providing for an equitable allocation among an Obligor and other Affiliates of any Obligor of Obligations arising under guaranties by such parties.

5.12. Subrogation. Until Full Payment of all the Obligations, each Borrower shall withhold exercise of any right of subrogation, contribution or any other right to enforce any remedy which it now has or may hereafter have against any other Obligor. Each Borrower further agrees that, to the extent the waiver of its rights of subrogation, contribution and remedies as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights such Borrower may have against any other Obligor, and any collateral or security therefor, shall be junior and subordinate to any rights Collateral Agent may have against the other Obligor, or any such collateral or security (or the underlying assets therefor).

SECTION 6. CONDITIONS PRECEDENT

6.1. Effective Date. The effectiveness of this Agreement shall be subject to the satisfaction (or waiver by Administrative Agent and Lenders) of the following conditions precedent, each of which must be to the satisfaction of the Administrative Agent and Lenders in their sole discretion (the "Effective Date"):

6.1.1. Loan Documents. The parties thereto shall have duly executed the following Loan Documents: this Agreement, each Guaranty, each Security Document, the Fee Letters, the Approved Bank Side Letter, each Borrower Note requested by any Lender, each of which shall be in full force and effect, and Administrative Agent shall have received sufficient copies of each such agreement.

6.1.2. KYC Requirements. Administrative Agent and each Lender shall have received all documentation and other information required by any Governmental Authority with respect to each Obligor under applicable "know-your-customer" and other Anti-Terrorism and Money Laundering Laws.

6.1.3. Certificates.

(a) Borrowers shall have delivered to Administrative Agent a fully executed Borrower Certificate, together with all attachments thereto.

(b) Each Guarantor shall have delivered to Administrative Agent a fully executed Guarantor Certificate, together with all attachments thereto.

(c) The Pledgors shall have delivered to Administrative Agent a fully executed Pledgor Certificate, together with all attachments thereto.

6.1.4. Independent Manager. Each Borrower shall have appointed an Independent Manager.

6.1.5. Organizational Documents; Incumbency. Administrative Agent shall have received (a) in respect of each Obligor, copies of its Organizational Documents (including any amendments thereto) and, to the extent applicable, certified within ten (10) Business Days of the Effective Date by the appropriate Governmental Authority; (b) signature and incumbency certificates of its officers; (c) resolutions of its Board of Directors or similar governing body approving and authorizing the execution, delivery and performance of each Loan Document to which it is a party as of the Effective Date, certified as of the Effective Date by its secretary or an assistant secretary of such entity, or of the entity acting on behalf of such entity, as being in full force and effect without modification or amendment; and (d) a good standing certificate from the applicable Governmental Authority of its jurisdiction of incorporation, organization or formation and each jurisdiction in which it is required to be qualified as a foreign corporation or other entity to do business, each dated within ten (10) Business Days of the Effective Date. A list of each jurisdiction of incorporation, organization or formation for each Obligor and each jurisdiction in which any Obligor is qualified as a foreign corporation or other entity to do business is attached hereto as Schedule 6.1.5.

6.1.6. Financial Statements. Administrative Agent shall have received (i) the most recent quarterly 10-Q report filed with the SEC for HA INC (including all subsidiaries on a consolidated basis) and (ii) *pro forma* balance sheet and income statement of each Borrower which financial statements shall be in form and substance satisfactory to Administrative Agent. Each Obligor shall have certified to Administrative Agent that such Obligor's accounting systems and controls and management information systems are satisfactory for financial reporting in accordance with GAAP.

6.1.7. Required Approvals and Consents. Each Obligor shall have obtained all Required Approvals (to the extent required to have been obtained by such time) and all consents of any Persons, in each case that are necessary for its entry into the Loan Documents to which it is a party and implementation of the Loan Facility and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent, and none of which shall be subject to waiting periods or appeal or contain any conditions (copies of which shall have been delivered to Administrative Agent and certified as true and complete by Borrower). No action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired.

6.1.8. No Default. No Default or Event of Default shall have occurred and be continuing or would result from the execution, delivery and performance of this Agreement and the other Loan Documents executed and delivered on the Effective Date (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers).

6.1.9. Representations and Warranties. Each of the representations and warranties made (or deemed made) by any Obligor in any Loan Document shall be true and correct as of the Effective Date, except to the extent such representation or warranty is made only as of a specific date or time (in which event such representation or warranty shall be true and correct as of such date or time).

6.1.10. Due Diligence. Lenders and Administrative Agent shall have each completed a satisfactory due diligence review of the Loan Facility contemplated hereby and all other matters related thereto, including (a) the review of the business, operations, assets and liabilities of each Obligor, (b) the accuracy in all material respects of all information disclosed to Administrative Agent and Lenders prior to the execution and delivery of the Loan Documents, and (c) the satisfaction with any changes or developments, or any new additional information discovered by either Administrative Agent or each Lender after completion of such due diligence review, after the Effective Date regarding any Obligor that (i) either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (ii) purports to adversely affect the Loan Facility (including Administrative Agent's consideration of any Market Disruption).

6.1.11. Legal Opinions. Administrative Agent shall have received customary legal opinions regarding this Agreement and each other Loan Document executed on or prior to the Effective Date, as follows, (a) an opinion of Morrison & Foerster LLP, as counsel to Borrowers, in form and substance satisfactory to the Administrative Agent and (b) an opinion of the General Counsel of HA LLC, in form and substance satisfactory to the Administrative Agent.

6.1.12. Organizational and Capital Structure. Administrative Agent shall have received a description of the organizational structure and capital structure of each Borrower, in each case reasonably satisfactory to Administrative Agent.

6.1.13. Separateness Undertakings. Borrowers shall have delivered to Administrative Agent a compliance certificate as evidence that the Organizational Documents of each Borrower include provisions for bankruptcy remoteness, including independent director or member requirements, or otherwise acceptable to Administrative Agent.

6.1.14. Fees. Administrative Agent shall have received all fees and amounts payable on or before the Effective Date referred to herein and all expenses payable pursuant to any Loan Document which have accrued to the Effective Date.

6.1.15. Solvency Certificate. Administrative Agent shall have received a Solvency Certificate of each Obligor in scope and substance reasonably satisfactory to Administrative Agent and each Lender, and demonstrating that after giving effect to the transactions contemplated by the Loan Documents and any rights of contribution, each Obligor will be Solvent.

6.1.16. Collateral. In order to create in favor of Collateral Agent (for the benefit of the Secured Parties) valid, perfected First Priority Liens in the Collateral, subject to Permitted Liens, Borrowers shall have delivered to Collateral Agent evidence satisfactory to Collateral Agent of the compliance by the Obligors of their respective obligations under the Security Agreement, and the other Security Documents to which they are a party (including their obligations to execute and deliver (a) UCC financing statements and the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other Lien filings on any of the assets of Obligors (other than the Guarantors) except for Liens pursuant to the Loan Documents, (b) originals of securities, (c) instruments and chattel paper, and (d) any agreements governing deposit and/or securities accounts as provided therein).

6.1.17. Service of Process Appointment: Satisfactory evidence that each Borrower has irrevocably appointed an agent for service of process in the State of New York in accordance with Section 14.13.1, together with evidence of payment of all required appointment fees for each Obligor for a period of one (1) year from the Effective Date.

6.1.18. Effective Date Flow of Funds. Administrative Agent shall have received a fully executed Effective Date Flow of Funds Memo.

6.1.19. Insurance, Policies and Certificates. Administrative Agent shall have received copies of policies or certificates of insurance for the insurance policies carried by or for the benefit of the Borrowers all in compliance with the Insurance Requirements.

6.1.20. Other Documents. Administrative Agent shall have received such other documents, certifications, consents, or other items relating to any Obligor, the Loan Documents, or the matters contemplated by the Loan Documents as Administrative Agent reasonably requests and such other documents as mutually agreed by the parties hereto in advance.

6.1.21. Beneficial Ownership Certification. At least five (5) days prior to the Effective Date, if any of the Borrowers qualify as a "legal entity customer" under the Beneficial Ownership Regulation, it shall have delivered a Beneficial Ownership Certification in relation to such Borrower.

6.1.22. No Material Adverse Effect. Administrative Agent shall have received satisfactory evidence that there is no event or condition, and no fact or circumstance that any Obligor has failed to disclose to Administrative Agent in writing, that, either

individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect (and the same shall have been certified by each Obligor (other than the Guarantors), with respect to itself, to the Administrative Agent in a certificate signed by an Authorized Officer of such Obligor (other than the Guarantors)).

6.1.23. No Litigation. There shall not exist any Adverse Proceeding in respect of any Obligor (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers).

6.2. Conditions to Approved Financings. The obligation of (i) each Lender to provide its Applicable Percentage of a Loan in respect of or in connection with an Approved Financing first becoming part of or joining the Borrowing Base as Eligible Collateral on any Credit Date, or (ii) the Administrative Agent to include an Approved Financing in the calculation of the Borrowing Base as a result of an Approved Additional Collateral Event on any Credit Date, is subject to the satisfaction (or waiver by the Administrative Agent) of the following conditions precedent, each of which must be to the satisfaction of Administrative Agent in its sole discretion:

6.2.1. Credit Date Certificates. Each of the Borrowers, Guarantor and the Pledgors shall have delivered to the Administrative Agent an undated, fully executed Credit Date Certificate.

6.2.2. Organizational Documents; Incumbency. Administrative Agent shall have received in respect of the applicable Borrower, (i) resolutions of its board of directors or similar governing body approving and authorizing the execution, delivery and performance of each Loan Document to which it is a party as well as such other Underlying Financing Documents to which it is a party, certified as of the applicable Credit Date by its secretary or an assistant secretary of such entity, or of the entity acting on behalf of such entity, as being in full force and effect without modification or amendment (which may be standing resolutions authorizing Approved Financings generally) and (ii) if reasonably requested by the Administrative Agent, a good standing certificate from the applicable Governmental Authority of its jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is required to be qualified as a foreign corporation or other entity to do business, each dated within ten (10) Business Days of the applicable Credit Date.

6.2.3. Approval. If the applicable Underlying Financing is a Proposed Nominated Financing, approval thereof as an Approved Financing shall have been granted in accordance with Section 7.2.1.

6.2.4. Notice of Borrowing. With respect to any requested Advance, Administrative Agent shall have received a Notice of Borrowing signed by an Authorized Officer of Borrower Agent in accordance with Section 4.1.1.

6.2.5. Borrower Note. With respect to the first Advance under the Loan Facility after the Effective Date, Borrowers shall have delivered to each Lender, if requested, a Borrower Note in accordance with Section 2.2 of this Agreement.

6.2.6. Other Documents. Administrative Agent shall have received, with respect to such Approved Financings, (a) an update to the Underlying Financing Specification with respect to such Approved Financing, revised to include each additional Material Underlying Financing Document not previously disclosed to Administrative Agent, (b) an Intercompany Assignment Agreement (if applicable) and (c) such other documents, certifications, consents, or other items relating to the relevant Approved Financing as required under the Underlying Financing Criteria (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.7. Legal Opinions. Administrative Agent shall have received legal opinions regarding the Material Underlying Financing Documents and Underlying Financing Security Documents and the Obligors that are available to Borrowers in connection with the Approved Financing funded from such Advance or included in the Borrowing Base as a result of an Additional Collateral Event.

6.2.8. Fees. Administrative Agent shall have received (a) all expenses payable pursuant to any Loan Document which have accrued to the applicable Credit Date and (b) all fees, amounts and expenses payable by the Obligors to Lenders, the Agents, and their respective counsel, advisors and other consultants that are then due and payable under the Loan Documents. Obligors shall have paid all fees, amounts and expenses required to be paid under the Material Underlying Financing Documents.

6.2.9. Representations and Warranties:

(a) With respect to each Approved Financing first becoming part of or joining the Borrowing Base as Eligible Collateral on such Credit Date (and not, for the avoidance of doubt, Approved Financings that are already part of the Borrowing Base on such Credit Date), the Eligibility Representations made by such Borrower in respect thereof (as such Eligibility Representations may be modified or waived with the express approval of the Super Majority Lenders in accordance with Section 7.2.1), as provided in the Loan Documents, shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of such Credit Date to the same extent as though made on and as of that date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) as of such date or time) (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

(b) Each of the representations and warranties made (or deemed made) by such Borrower, as provided in the Loan Documents (other than Eligibility Representations made in any Loan Document in respect of Approved Financings that are already part of the

Borrowing Base on such Credit Date), shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of that Credit Date to the same extent as though made on and as of that date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) as of such date or time) (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

(c) Each of the representations and warranties made by each Guarantor under the Guaranty and each other Loan Document to which it is a party shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of that Credit Date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct as of such date or time) to the same extent as though made on and as of that date (and the same shall have been certified by such Guarantor to the Administrative Agent in a certificate signed by an Authorized Officer of such Guarantor delivered pursuant to Section 6.2.1).

(d) Each of the representations and warranties made by each Pledgor under the Loan Documents to which it is a party shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of that Credit Date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct as of such date or time) to the same extent as though made on and as of that date (and the same shall have been certified by such Pledgor to the Administrative Agent in a certificate signed by an Authorized Officer of such Pledgor delivered pursuant to Section 6.2.1).

6.2.10. Updates to Schedules. Any information set forth on the Schedules accompanying Section 9 shall have been updated to reflect (i) any Approved Financing being funded, and (ii) any other material change in the information presented therein (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.11. Collateral Assignment; Assignment; Consent; Notice . Administrative Agent shall have received (a) copies of each duly executed Collateral Assignment and Consent to Collateral Assignment in connection with each such Approved Financing as Administrative Agent shall have requested in Administrative Agent's sole discretion executed on or before such Credit Date and (b) (i) evidence that each applicable Underlying Borrower or Underlying Depositary, as applicable and each applicable Underlying Obligor has received a Notice of Collateral Assignment and (ii) evidence that each applicable Underlying Obligor has received a Notice of Assignment and that such Notice of Assignment directs such Underlying Obligor to make payments to the Agent Master Account (as defined in the Paying Agency Agreement) or the Revenue Account (as defined in the Depositary Agreement).

6.2.12. Lien Search. Administrative Agent shall have received the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other lien filings, if applicable, on the Origination Company and any other Affiliate that subsequently acquired the Underlying Financing prior to such Underlying Financing being acquired by the Borrower, in each case, that constitute a Lien on the Underlying Financing.

6.2.13. Payment Instructions. Administrative Agent shall have received an irrevocable payment instruction (which may be satisfied by the Paying Agency Agreement or the Securities Account Control Agreement) executed by (a) for Approved Financings (G&I), the Paying Agent, and (b) for Approved Financings (Land Assets), the Underlying Obligor, in each case, regarding each Approved Financing directing that payments to be made from any Underlying Obligor, Underlying Borrower or other Person to any Borrower be made directly into the Revenue Account (as defined in the Depositary Agreement) or in accordance with the Paying Agency Agreement or the Securities Account Control Agreement.

6.2.14. Collateral. In order to create in favor of Collateral Agent (for the benefit of the Secured Parties) valid, perfected First Priority Liens in the Collateral, Borrowers shall have delivered to Collateral Agent evidence satisfactory to Collateral Agent of the compliance by the Obligors of their respective obligations under the Security Documents to which they are a party (including their obligations to execute and deliver (a) originals of securities evidenced by certificates, (b) instruments and chattel paper and (c) any agreements governing deposit and/or securities accounts as provided therein).

6.2.15. Borrowing Base Certificate. Administrative Agent shall have received a duly executed and delivered Borrowing Base Certificate in form and substance satisfactory to it, by 2:00 p.m. (New York time) on the date that is three (3) Business Days prior to the date on which any Advance (or joining of an Approved Financing to the Borrowing Base) is to be made and otherwise in accordance with Section 8.1.

6.2.16. Delayed Draw Financing. With respect to any Approved Financing that is a Delayed Draw Financing, Administrative Agent shall have received (i) satisfactory evidence that the applicable Borrower has advanced in full to the applicable Underlying Borrower in such Delayed Draw Financing a total amount equal to the product of (x) Borrower Advance Rate and (y) the Scheduled DD Amount as of such Credit Date, (ii) a true and complete copy of the request for the Underlying Borrower Advance (including all requests in connection with Pre-Joining Amounts) that was delivered by the applicable Underlying Borrower in connection with such Delayed Draw Financing and the same shall have been certified as due by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1, (iii) satisfactory evidence that the applicable Borrower has fully funded any Pre-Joining Amount, and (iv) satisfactory evidence that all conditions under the applicable Underlying Financing Documents in connection with the funding of the applicable Underlying Borrower Advance have been satisfied by the Underlying Borrower.

6.2.17. Borrower Funding Amount. Administrative Agent shall have received evidence reasonably satisfactory to it that the portion of the applicable Approved Financing to be financed by the applicable Borrower on or prior to such Credit Date has been fully funded (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.18. Joining Amount. The aggregate Borrowing Base value attributable to all Approved Financings joined on such Credit Date shall not be less than $5,000,000 (or any other amount as the Administrative Agent and the Borrower Agent may mutually agree).

6.2.19. Additional Conditions. If the applicable Underlying Financing is a Proposed Nominated Financing, each Borrower shall have delivered to Administrative Agent satisfactory evidence that each "Additional Terms and Conditions specific to Approved Financing" identified in the Underlying Financing Specification with respect to such Approved Financing shall have been satisfied (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.20. Additional Delayed Financing Conditions. With respect to any Approved Financing that is a Delayed Draw Financing, (i) the Advance on each Credit Date will not exceed an amount equal to the product of (a) the Scheduled DD Amount as of such Credit Date and (b) the Applicable Valuation Percentage; provided that on the first Credit Date with respect to such Delayed Draw Financing, such amount may be increased by the Scheduled Pre-Joining Amount and (ii) after giving effect to the Advance on such Credit Date, the aggregate amount funded by the Lenders with respect to such Delayed Draw Financing will not exceed an amount greater than the product of (a) the Applicable Valuation Percentage and (b) the Aggregate DD Amount (plus, without duplication, the Scheduled Pre-Joining Amount to the extent applicable); provided that any such funding of an Advance shall be subject to the satisfaction of each of the other conditions set forth in Section 6.3.6, as applicable.

6.2.21. No Existing Debt/Liens. Administrative Agent shall have received a certification from Borrowers that (a) neither the Collateral (including the applicable Approved Financing), is subject to any Liens other than Permitted Liens, and (b) no Borrower has any Debt other than Permitted Debt.

6.2.22. No Litigation. Except as shown on Schedule 9.1.13, there are no proceedings or investigations pending or, to such Borrower's Knowledge, threatened against any Borrower that (a) relate to any Loan Documents to which it is a party or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to such Borrower (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.23. No Default. No Default or Event of Default shall have occurred and be continuing or would result from the consummation of the applicable Advance or Additional Collateral Event (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.24. No Material Adverse Effect. During the period commencing on (x) with respect to the initial Advance or Additional Collateral Event hereunder, the Effective Date and ending on the applicable Credit Date and (y) with respect to each Advance and Additional Collateral Event thereafter, the previous Credit Date and ending on the current applicable Credit Date, no event (including a change in Applicable Law) shall have occurred that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.25. Required Approvals. All Required Approvals required for the applicable Approved Financing shall have been received or will be obtained prior to the Credit Date for such Approved Financing, none of which may be subject to waiting periods or appeal, and none of which contain any conditions that will not be met prior to the Credit Date for such Approved Financing (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1). No action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.26. Aggregate Advances; Aggregate Usage. After giving effect to the Advance or Additional Collateral Event on such Credit Date, (a) the conditions in the proviso to Section 2.1.1 have been satisfied, and (b) the conditions in Section 4.3 have been satisfied.

6.2.27. Additional Conditions to initial Loan. The obligation of each Lender to provide its Applicable Percentage of the initial Loan requested hereunder is subject to the satisfaction (or waiver by Administrative Agent) of the following conditions precedent in addition to the other conditions precedent in this Section 6.2:

(a) The Administrative Agent shall have received the following:

(i) A payoff letter, in form and substance satisfactory to the Administrative Agent, together with UCC-3 termination statements and such other documents requested by the Administrative Agent evidencing the release of Liens under, and termination of, the Loan Documents (as defined in that certain Amended & Restated Loan Agreement (G&I) dated as of August 12, 2014) and all commitments thereunder;

(ii) A payoff letter, in form and substance satisfactory to the Administrative Agent, together with UCC-3 termination statements and such other documents requested by the Administrative Agent evidencing the release of Liens under, and termination of, the Intercompany Documents (as defined in that certain Amended & Restated Loan Agreement (G&I) dated as of August 12, 2014) and all commitments thereunder;

(iii) The Transfer Documents (if any), pursuant to which the Underlying Financings described therein are transferred from the Borrowers to the transferees identified therein; and

(iv) Any required consents from, or notices to, third parties with respect to the transfers contemplated by the Transfer Documents.

6.3. Approved Subsequent Credit Date. The obligation of each Lender to provide its Applicable Percentage of a Loan on any Approved Subsequent Credit Date is subject to the satisfaction (or waiver by the Administrative Agent) of the following conditions precedent (and no conditions set forth in Section 6.2 shall be applicable except as set forth in this Section 6.3), each of which must be to the satisfaction of Administrative Agent in its sole discretion:

6.3.1. Applicable Conditions Precedent. To the extent applicable, each of the conditions contained in Sections 6.2.1, 6.2.4, 6.2.8, 6.2.9 (other than with respect to the Eligibility Representations), 6.2.15, 6.2.16, 6.2.17, 6.2.18, 6.2.19, 6.2.20, 6.2.21, 6.2.22, 6.2.23, 6.2.24, and 6.2.26; provided, that (a) the Credit Date Certificate required to be delivered pursuant to Section 6.2.1 shall be delivered no later than three (3) Business Days prior to such date and (b) each Borrowing Base Certificate required to be delivered pursuant to Section 6.2.15 shall be delivered (x) in the case of an Approved Subsequent Credit Date on any Payment Date, in accordance with Section 8.1.1 as it relates to Payment Date Borrowing Base Certificates, and (y) in the case of an Approved Subsequent Credit Date on any day other than a Payment Date, in accordance with Section 6.2.15.

6.3.2. Material Underlying Financing Document Amendments. As of such Approved Subsequent Credit Date, if Administrative Agent has provided written consent pursuant to Section 10.2.18 with respect to any Material Underlying Financing Document included in the related Underlying Financing Specification since execution of such Underlying Financing Specification in accordance with Section 6.2.3 and such written consent contained any conditions with respect to subsequent Advances, all such conditions shall have been satisfied (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.3.3. Organizational Documents. As of such Approved Subsequent Credit Date, there shall have been no material amendment, restatement, supplement or other modification to, or waiver of, any resolutions or Organizational Documents delivered pursuant to Section 6.2.2 (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.3.4. Underlying Financing Specification. As of such Approved Subsequent Credit Date, there shall have been no material amendment, restatement, supplement or other modification to, or waiver of, any material provision of, or attachment to, the Underlying Financing Specification then in effect with respect to the Approved Financing to be funded on such Approved Subsequent Credit Date.

6.3.5. Payment Instructions. As of such Approved Subsequent Credit Date, there shall have been no amendment, restatement, supplement or other modification to, or waiver of, any payment instruction delivered pursuant to Section 6.2.13 (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.3.6. Delayed Draw Financings. With respect to any Approved Financing that is a Delayed Draw Financing, Administrative Agent shall have received (i) satisfactory evidence that the applicable Borrower has advanced to the applicable Underlying Borrower an amount equal to its portion, if any, of the Underlying Borrower Advance then due under the Underlying Financing Documents, (ii) a true and complete copy of the request for the Underlying Borrower Advance that was delivered by the applicable Underlying Borrower in connection with such Delayed Draw Financing and the same shall have been certified as due by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1, and (iii) satisfactory evidence that all conditions to the funding of the applicable Underlying Borrower Advance have been satisfied by the Underlying Borrower.

6.4. Conditions to the Issuance of Letters of Credit. The obligation of an Issuing Bank to provide a L/C Credit Extension is subject to the satisfaction (or waiver by such Issuing Bank) of the following conditions precedent, each of which must be to the satisfaction of such Issuing Bank in its sole discretion:

6.4.1. Letter of Credit Request. The Administrative Agent and applicable Issuing Bank shall have received a request for L/C Credit Extension in accordance with the requirements hereof.

6.4.2. No Default. As of such requested date of issuance, no Default or Event of Default shall have occurred and be continuing or would result from such L/C Credit Extension (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of such Borrowers).

6.4.3. Representations and Warranties. The representations and warranties (other than any representations or warranties contained in Appendix 2A or B given in connection with any Approved Financing) of the Borrowers set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of the L/C Credit Extension (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

SECTION 7. UNDERLYING FINANCING

7.1. Underlying Financing.

7.1.1. Eligible Nominated Financing. Borrowers may on either the second (2nd) or fourth (4th) Friday of each calendar month, request financing of a Nominated Financing that complies with the Underlying Financing Criteria (an "Eligible Nominated Financing") by submitting to Administrative Agent a draft Credit Date Certificate, and including all reports, documents, applicable representations and information specified on Appendix 2A or B, as applicable (including, for any Approved Financing (Land Assets), the Land Lease Diligence Documents), required to be attached thereto and the Underlying Financing Specification for such Nominated Financing (a "Proposal Package"). The Administrative Agent shall have three (3) Business Days after receipt of both a complete Proposal Package with respect to such Eligible Nominated Financing and all documents required to be delivered by the Borrowers pursuant to Section 6.2, to review and, if such Proposal Package and such documents satisfy the requirements of this Agreement, the Administrative Agent, shall countersign the Underlying Financing Specification for such Eligible Nominated Financing and return the same to the Borrower Agent. The Administrative Agent will review no more than five (5) Proposal Packages at any one time.

7.1.2. Proposed Nominated Financing. Borrower Agent may on either the second (2nd) or fourth (4th) Fridays of each calendar month, but only once per calendar month, request financing of a Nominated Financing that does not meet the requirements of an Eligible Nominated Financing (as reasonably determined by Borrower Agent or Administrative Agent) by delivering a written request to Administrative Agent (each, a "Proposed Nominated Financing"). Borrower Agent shall propose an Applicable Valuation Percentage for such Proposed Nominated Financing and may request that the Lenders waive certain Underlying Financing Criteria with respect to such Proposed Nominated Financing. The Administrative Agent and each Lender agrees to review and diligence such Proposed Nominated Financings in good faith (such approval process, the "Approval Process") at the sole cost and expense of such Lender. In connection with such Proposed Nominated Financing, Borrower Agent shall present to Administrative Agent a complete Proposal Package, including all reports, documents and information specified on Appendix 2A or B, as applicable, and all other documents and information requested by the Lenders. The Lenders shall only be obligated to consider one such Proposed Nominated Financings at any time. Any Proposed Nominated Financing approved by the Super-Majority Lenders shall not be an Excluded Investment and shall be deemed to be an Approved Financing hereunder. Borrowers shall pay to each Lender an Ineligible Asset Fee for each Proposed Nominated Financing that is approved as an Approved Financing hereunder, which fee shall become due and payable on the date on which such Proposed Nominated Financing becomes part of the Borrowing Base.

7.1.3. New Asset Classes. The parties hereto agree that the Borrowers may at any time request that an additional class of investments be considered for financing under this Agreement subject to the review, diligence and approval of the Super Majority Lenders in all respects, including any amendments that may be necessary to be made to the Loan Documents in order to give effect to any such asset class if approved.

7.1.4. Audit Rights. Each Borrower shall, at its expense, promptly execute, acknowledge and deliver such further documents and information and do such other acts and things as Administrative Agent may reasonably request to assist the Administrative Agent in its review of Approved Financings after they have been joined to the Borrowing Base for purposes of determining whether an Eligibility Representation has been breached or an Approved Financing is a Watched Loan.

7.2. Approval Process.

7.2.1. Notice of Approval of Proposed Nominated Financing. The approval by the Super-Majority Lenders of a Proposed Nominated Financing will be confirmed by a written notice from Administrative Agent to Borrower Agent, which shall be evidenced by Administrative Agent's signature of the applicable Underlying Financing Specification.

7.2.2. Underlying Financing Specification. On or prior to the Credit Date for any Approved Financing, Borrower Agent shall execute and deliver to Administrative Agent an Underlying Financing Specification with respect to the applicable Approved Financing, identifying the applicable Underlying Financing Documents, the applicable Underlying Financing Project Documents and such other information set forth in Appendix 3. Upon execution and delivery of any Underlying Financing Specification by Administrative Agent, the Underlying Financing Specification shall form a part of this Agreement and each of the Loan Documents. The Borrowers and Administrative Agent (acting at the direction of the Required Lenders unless such omission is a result of administrative or clerical error) hereby agree to amend each applicable Underlying Financing Specification to add any Person or document that is mutually agreed after the date hereof as a Material Underlying Financing Participant or Material Underlying Financing Document pursuant to the terms hereof.

SECTION 8. COLLATERAL ADMINISTRATION

8.1. Borrowing Base Certificates.

8.1.1. Borrowing Base Certificate. Borrowers shall calculate Borrowing Base and Availability Amount and deliver to Administrative Agent (and Administrative Agent shall promptly deliver same to Lenders) a Borrowing Base Certificate (a) in draft form no later than three (3) Business Days prior to each Payment Date (which draft shall reflect what is reasonably anticipated to be the final Borrowing Base Certificate subject only to updates for amounts on deposit in the Revenue Account and any principal, interest and fee invoices issued after the date such draft is required to be delivered and prior to the applicable Payment Date), which shall be in final form and executed and delivered by 12:00 p.m. (New York time) on such Payment Date (such executed Borrowing Base Certificate, a "Payment Date Borrowing Base Certificate"), showing valuations as of the close of business of the last day of the calendar month just ended, (a) within three (3) Business Days of any event or circumstance in which an Approved Financing has become a Zero Value Approved Financing, showing valuations as of the date such Approved Financing became a Zero Value Approved Financing, (a) within three (3) Business Days following any other demand by Administrative Agent (which may be requested up to one (1) time per week), showing valuations as of the date of demand, (d) on the date on which any Notice of Borrowing is delivered or as otherwise required pursuant to Section 4.1.1, showing valuations as of a date not more than five (5) Business Days earlier than the actual date of Advance, (e) within three (3) Business Days after any Removal Date, (f) upon Borrowers' request for an Additional Collateral Event, showing valuations as of a date not more than five (5) Business Days prior to the actual inclusion of such Approved Financing in the Borrowing Base and (g) as otherwise required pursuant to the terms of this Agreement, including without limitation, Section 8.1.3(f).

8.1.2. Certificate Requirements. Each Borrowing Base Certificate shall be in form and substance substantially similar to the form of Borrowing Base Certificate in Exhibit D-1.

8.1.3. Borrowing Base Calculations.

(a) Upon receipt of each fully executed and completed Borrowing Base Certificate, certified by Borrower Agent in a certificate signed by an Authorized Officer of Borrower Agent, Administrative Agent shall, not later than five (5) Business Days after receipt thereof (or in the case of any Borrowing Base Certificate delivered pursuant to Section 4.1.1, three (3) Business Days), review and provide written notice to Borrower Agent of either (i) its approval of the Borrowing Base Certificate, or (ii) its (A) disapproval of any Eligible Collateral proposed to be included in the Borrowing Base, (B) disapproval of any portion of any information, calculation or determination set forth in the Borrowing Base Certificate, together in each case with a description in reasonable detail of the reasons therefor, including with respect to any Watched Loan or Distressed Asset, (C) adjustment to Borrowers' calculation of Borrowing Base or Availability Amount as a result of an adjustment to the Applicable Valuation Percentage or Modeled Ground Lease Rents of a Watched Loan or Distressed Asset; (D) disapproval to the extent the calculation is not made in accordance with this Agreement or the Borrowing Base Certificate or (E) rejection of the characterization of an Approved Financing as a Delinquent U.S. Federal Government Contract.

(b) Watched Loans.

(i) The Administrative Agent may (and shall at the request of the Required Lenders) designate any Approved Financing as a Watched Loan to the extent the Administrative Agent or the Required Lenders, as the case may be, reasonably believes such Approved Financing is subject to any of the events set forth in the definition of "Watched Loan".

(ii) (A) (x) Each Borrower and Administrative Agent (acting at the written direction of Required Lenders) will negotiate in good faith to adjust the Applicable Valuation Percentage and if applicable, the Modeled Ground Lease Rents, of each Watched Loan, upon the initial designation pursuant to Section 8.1.3(b)(i) and following any event, circumstance or condition that is either not known by the Administrative Agent and Lenders at the time of such initial designation or occurs after such designation, in each case, to the extent such event, circumstance or condition would independently satisfy any of the "Watched Loan" conditions as determined by the Required Lenders in good faith; and (y) if such Borrower and Required Lenders are unable to come to an agreement as to the adjustments to be made, such adjustments shall be determined by the Administrative Agent (at the direction of the Required Lenders) and (B) subject to clauses (iii) and (iv) below, the adjustments determined in accordance with sub-clause (A) shall be applied to the Borrowing Base effective on either the date that is ten (10) Business Days after the date on which the parties mutually agree as to such adjustment or if the parties cannot agree, on the date that is ten (10) Business Days after the date on which such adjustment is determined by the Required Lenders.

(iii) Notwithstanding Section 8.1.3(b)(ii), any Approved Financing that becomes a Zero Value Approved Financing shall immediately have its Applicable Valuation Percentage reduced to 0% and Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reduction in accordance with Section 8.1.1(b); provided that if Borrowers believe that an Approved Financing that would otherwise constitute a Zero Value Approved Financing satisfies the conditions set forth in clause (A) of the first sentence of the definition of Delinquent U.S. Federal Government Contract, Borrowers shall notify the Administrative Agent of such fact. If the Administrative Agent agrees in writing with Borrowers that such Approved Financing is a Delinquent U.S. Federal Government Contract, the Applicable Valuation Percentage of such Approved Financing will not be immediately reduced to zero but will instead be reduced in accordance with the timeline set forth in the second sentence of the definition of Delinquent U.S. Federal Government Contract. Each such Applicable Valuation Percentage will be applied to the Borrowing Base Certificate and any valuations contained therein as set forth in such second sentence of such definition. If the Administrative Agent (acting at the direction of the Required Lenders, acting reasonably), does not agree that such Approved Financing qualifies as a Delinquent U.S. Federal Government Contract, the Applicable Valuation Percentage for such loan shall be immediately reduced to 0% and treated as a Zero Value Approved Financing and Borrowers shall deliver a revised Borrowing Base Certificate reflecting such reduction and revised

Borrowing Base calculation in accordance with Section 8.1.1.

(iv) Notwithstanding Section 8.1.3(b)(ii), the Modeled Ground Lease Rents applicable to any Approved Financing (Land Assets) that becomes a Watched Loan as a result of a Ground Lease payment default described in clause (i) of the definition of "Watched Loan" shall be reduced automatically as follows: (A) by 20%, on the date on which such Approved Financing (Land Assets) becomes a Watched Loan; (B) by an additional 20%, on the date that is thirty (30) days after such Approved Financing (Land Assets) becomes a Watched Loan; and (C) by 100%, on the date that is sixty (60) days after such Approved Financing (Land Assets) becomes a Watched Loan (and upon such 100% reduction, such Approved Financing (Land Assets) shall be a "Zero Value Approved Financing" hereunder), and in each case, Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reductions in accordance with Section 8.1.1(b); provided that, the Modeled Ground Lease Rents of such Ground Lease shall not be reduced under clauses (B) and (C) of this sentence if such payment default is cured on or prior to such thirtieth (30^{th}) or sixtieth (60^{th}) day, as applicable.

(c) The adjusted Borrowing Base calculation and corresponding valuations made by Administrative Agent (at the direction of the Required Lenders) pursuant to Section 8.1.3 shall be binding absent manifest error on Borrowers; provided that Borrowers shall have the right, at their cost and expense, to request that an Independent Appraiser review and value any Watched Loan that has had its Borrowing Base and corresponding valuations adjusted in accordance with Section 8.1.3(b)(ii), and upon such Independent Appraiser completing its review and submitting its valuation, the Midpoint Valuation of such Watched Loan shall be binding and the Borrowers shall submit a revised Borrowing Base Certificate reflecting such Midpoint Valuation.

(d) Any notice delivered by Administrative Agent to Borrower Agent pursuant to Section 8.1.3(a)(ii)(C) or 8.1.3(b) adjusting the Applicable Valuation Percentage, or any component of any of the foregoing shall be deemed, without further act by any party hereto, to be an amendment to the related Underlying Financing Specification.

(e) With respect to any Approved Financing that has become a Watched Loan as a result of the occurrence of an Other Material Underlying Event described in any of clauses (iv) through (vii) of the definition thereof, if either (I) such Approved Financing has not been Resolved prior to the sixtieth (60^{th}) day following such occurrence or (II) the Administrative Agent has otherwise notified Borrowers in writing that such financing must be removed from the Borrowing Base and released from the Collateral (such sixtieth day or the date of receipt of such notice by any Borrower, "Removal Date"), then Borrowers shall not later than three (3) Business Days after such Removal Date cause such Approved Financing to be sold to another Person other than a Borrower, HA LLC, or a Pledgor; provided that and for the avoidance of doubt, any such sale of such Approved Financing may be to a Subsidiary of HA LLC (other than a Borrower or a Pledgor). Upon request thereof from a Borrower, the Administrative Agent will take all actions reasonably necessary to approve and release any such transaction. Such Approved Financing shall be disregarded for purposes of calculating the Borrowing Base from and after the Removal Date. Borrowers shall deliver a new Borrowing Base Certificate to the Administrative Agent no later than three (3) Business Days after the Removal Date calculating the Borrowing Base as of such date without regard to such Approved Financing.

(f) With respect to any Approved Financing that has been determined to be a Non-Fundamental Distressed Asset by any of the Administrative Agent (with notice to the Borrowers), Required Lenders (with notice to the Borrowers) or by the Borrowers,

(i) (A) the Applicable Valuation Percentage (and with respect to Approved Financing (Land Assets), the Modeled Ground Lease Rents) with regard to such Non-Fundamental Distressed Asset shall be automatically reduced by an increment of 10% and (B) Borrowers shall deliver to the Administrative Agent a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reduction within three (3) Business Days following such determination by the Borrowers or notice by the Administrative Agent or Required Lenders, whichever is earlier;

(ii) within sixty (60) days of such reduction pursuant to clause (i) above, Borrowers shall have either (A) cured the breach of the relevant Non-Fundamental Representation to the reasonable satisfaction of the Required Lenders or (B) demonstrated to the reasonable satisfaction of the Required Lenders that an Eligibility Material Adverse Effect did not result from such breach; provided that with regards to clause (B), as it relates to an asserted Eligibility Material Adverse Effect under clauses (a)(i), (a)(ii) or (b) of such definition, Borrower Agent must deliver within such sixty (60) day period, a Valuation Report with respect to such Non-Fundamental Distressed Asset;

(iii) if the breach of the relevant Non-Fundamental Representation is cured pursuant to clause (ii)(A) above then (A) the Applicable Valuation Percentage (and with respect to Approved Financing (Land Assets), the Modeled Ground Lease Rents) with regard to such Non-Fundamental Distressed Asset shall be immediately increased to the Applicable Valuation Percentage (and with respect to Approved Financing (Land Assets), the Modeled Ground Lease Rents) in effect prior to such Approved Financing becoming a Non-Fundamental Distressed Asset and (B) Borrowers shall pay to each Lender the Ineligible Asset Fee on the date the Required Lenders determine to their reasonable satisfaction that such breach has been cured and the Administrative Agent delivers notice of such determination to the Borrowers;

(iv) if the breach of the relevant Non-Fundamental Representation is cured pursuant to clause (ii)(B) above, (A) such Non-Fundamental Distressed Asset shall continue to be included in the calculation of the Borrowing Base and constitute Eligible Collateral with an Applicable Valuation Percentage (and with respect to Approved Financing (Land Assets), Modeled Ground Lease Rents) approved by the Required Lenders; provided that such Applicable Valuation Percentage (or Modeled Ground Lease Rents, as applicable) shall be (1) supported by the Valuation Report and (2) determined so as to account for the actual negative impact on cash flows, if any, and (3) subject to clause (v) below, in no event be less than the decreased Applicable Valuation Percentage (or Modeled Ground Lease Rents, as applicable) specified in clause (i)(A) above, and (B) Borrowers shall pay to each Lender the Ineligible Asset Fee on the date the Required Lenders provide their approval in accordance with clause (iv)(A);

(v) if the aggregate value of the portion of the Borrowing Base attributable to all Non-Fundamental Distressed Assets which have been cured pursuant to clause (iv) above (including the aggregate Borrowing Base value of the subject Non-Fundamental Distressed Assets as determined pursuant to clause (iv) above without regard to this clause (v)) at any time exceeds 25% of the total Borrowing Base for all Approved Financings on a pro forma basis, the Applicable Valuation Percentage (and with respect to Approved Financing (Land Assets), the Modeled Ground Lease Rents) for the applicable Non-Fundamental Distressed Asset shall be re-sized such that the aggregate value of the portion of the Borrowing Base attributable to all Non-Fundamental Distressed Assets that have been cured pursuant to clause (iv) above shall not exceed 25% of the total Borrowing Base for all Approved Financings on a pro forma basis;

(vi) if the Administrative Agent (acting at the direction of the Required Lenders) has not confirmed in writing to the Borrowers that the breach of the relevant Non-Fundamental Representation has been cured in accordance with clause (ii) above within the sixty (60) day period provided for in such clause (ii), or the concentration test set forth in clause (v) above cannot be satisfied, then (A) the Applicable Valuation Percentage for such Non-Fundamental Distressed Asset shall be automatically reduced to 0% and (B) the Borrowers shall within three (3) Business Days of the end of such sixty (60) day period, deliver to the Administrative Agent a revised Borrowing Base Certificate reflecting such adjusted Applicable Valuation Percentage for such Non-Fundamental Distressed Asset; and

(vii) If any reductions in the Applicable Valuation Percentage (and with respect to Approved Financing (Land Assets), the Modeled Ground Lease Rents) pursuant to Section 8.1.3(f) results in the Aggregate Usage exceeding the revised Borrowing Base, Borrowers shall make a Mandatory Prepayment in accordance with the terms of Section 5.2.1.

(g) On the date on which an Approved Financing is determined to be a Fundamental Distressed Asset, (i) the Applicable Valuation Percentage for such Fundamental Distressed Asset shall automatically be reduced to 0%, (ii) Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reduction within three (3) Business Days following a Borrower's Knowledge thereof and (iii) if such Borrowing Base Certificate reflects that the Aggregate Usage exceeds the Borrowing Base, Borrowers shall make a Mandatory Prepayment in accordance with the terms of Section 5.2.1.

(h) With respect to any Approved Financing (Land Assets) that is subject to a Specified Ground Lease Default, (i) the Applicable Valuation Percentage for such Approved Financing shall be automatically reduced to 0%, (ii) Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reduction within three (3) Business Days following a Borrower's Knowledge thereof and (iii) if such Borrowing Base Certificate reflects that the Aggregate Usage exceeds the Borrowing Base, the Borrowers shall make a Mandatory Prepayment in accordance with the terms of Section 5.2.1.

(i) The parties hereto acknowledge and agree that, solely for purposes of valuing Approved Financings (Land Assets), the Land Lease Loan shall be resized to take into account any adjustments to the Modeled Ground Lease Rents under this Section 8.1.3, and each Borrowing Base Certificate delivered in connection therewith shall reflect such resizing of the Land Lease Loan.

(j) In addition to the foregoing, cash flows related to an Approved Financing (G&I) subject to an Approved Commitment will be valued at zero on the date on which the applicable Qualified Investor's obligation to purchase such Approved Financing (G&I) terminates per the "Final Termination Notice" as defined under the applicable Approved Commitment (such date, the "Zero Value Date"); provided that, if such Approved Financing (G&I) has not been purchased by the applicable Qualified Investor on or prior to the applicable Zero Value Date, it may remain in the Borrowing Base as an Approved Financing (G&I) which does not meet the Approved Commitment Conditions so long as: (i) such purchase failed to occur as a result of reasons unrelated to the credit condition of the Underlying Borrower or Underlying Obligor; (ii) the Borrowers have notified the Administrative Agent of any delays beyond the initial "Termination Date" as defined under such Approved Commitment and (iii) the Borrowers have, no later than three (3) Business Days after such Zero Value Date, made the Eligibility Representations with regard to the subject Approved Financing (G&I). The Borrowers shall deliver a Borrowing Base Certificate on the same date as it makes the Eligibility Representations described in clause (ii) of this Section 8.1.3(j) which shall reflect any reductions in the Borrowing Base necessary to comply with the Borrowing Base caps in Section 4.3.

8.1.4. Release of Collateral.

(a) If a Borrowing Base Certificate is approved by Administrative Agent pursuant to Section 8.1.3(a)(i) and such approved certificate indicates that the Aggregate Usage is less than the Borrowing Base and that Borrowers are in compliance with the Interest Service Coverage Ratio Threshold at such time, Borrowers may request (each such request, a "Collateral Release Request") in writing that Collateral Agent release its Lien on one or more Approved Financings (a "Collateral Release").

(b) Any such Collateral Release Request shall be subject to the following conditions:

(i) such Collateral Release Request shall be delivered to the Administrative Agent in substantially final form within three (3) Business Days of the requested Collateral Release date;

(ii) simultaneously with the delivery of the substantially final form of Collateral Release Request, Borrowers shall deliver a pro forma Borrowing Base Certificate demonstrating that no mandatory prepayment of the Loans pursuant to Section 5.2.1 or otherwise will be required as a result of the Collateral Release and Administrative Agent shall have approved such certificate;

(iii) on the date of the requested Collateral Release, the Borrowers shall deliver a complete and duly executed

Collateral Release Request together with a final Borrowing Base Certificate, and Borrowers shall certify in writing in such Collateral Release Request that such Collateral Release will not result in a Default or Event of Default; and

(iv) no Default or Event of Default shall have occurred and be continuing as of the date of the Collateral Release Request (unless the purpose of such Collateral Release is to cure any such Default or Event of Default) and as of the date of, and after giving effect to, the Collateral Release.

(c) Notwithstanding anything to the contrary in this Agreement, in the event any Mandatory Prepayment is made pursuant to Section 8.1.3(f)(vii), (g) or (h) with regard to any Approved Financing, or (if no Mandatory Prepayment is necessary thereunder) the Applicable Valuation Percentage for any Approved Financing becomes 0%, all Liens under the Loan Documents over any such Approved Financings shall automatically be released on the date on which (x) such Mandatory Prepayment is made in full or (if no Mandatory Prepayment is necessary) the Applicable Valuation Percentage for such Approved Financings becomes 0% and (y) the Borrowers transfer such Approved Financing to any Person other than a Borrower, HA LLC, or a Pledgor; provided that and for the avoidance of doubt, any such sale of such Approved Financing may be to a Subsidiary of HA LLC (other than a Borrower or a Pledgor).

(d) In the event that each of the conditions set forth in clauses (a) and (b) above have been satisfied as determined by Administrative Agent or any of the events set forth in clause (c) above have occurred, Administrative Agent, Collateral Agent and Borrowers shall, not later than two (2) Business Days thereafter enter into definitive documentation (in form and substance reasonably satisfactory to each such party) giving effect to the Collateral Release or Lien release.

8.2. Administration of Accounts.

8.2.1. Records and Schedules of Accounts. Each Borrower shall keep accurate and complete records of Borrower's Receivables, including all payments and collections thereon, and shall submit to Administrative Agent reports in form satisfactory to Administrative Agent, on such periodic basis as Administrative Agent may reasonably request.

8.2.2. Taxes. If a Receivable of any Borrower includes a charge for any Taxes, each Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of such Borrower and to charge such Borrower therefor; provided, however, that neither Agents nor Lenders shall be liable for any Taxes that may be due from any Borrower or with respect to any Collateral.

8.2.3. Account Verification. Administrative Agent shall have the right at any time, in the name of Administrative Agent, any designee of Administrative Agent, or any Borrower, to verify the validity, amount or any other matter relating to any Receivables of any Borrower by mail, telephone or otherwise. The Administrative Agent shall use reasonable efforts to notify Borrower Agent of such action, and each Borrower shall cooperate fully with Administrative Agent in an effort to facilitate and promptly conclude any such verification process.

8.2.4. Maintenance of Borrower Collateral Accounts. Each Borrower shall maintain, or cause to be maintained, in full force and effect Borrower Collateral Accounts subject to the Depositary Agreement. Each Borrower shall take all actions necessary to establish Collateral Agent's control of each such Borrower Collateral Account. The Borrowers shall be the sole account holder of each Borrower Collateral Account and shall not allow any other Person (other than Collateral Agent) to have control over a Borrower Collateral Account or any amounts or assets deposited therein or credited thereto.

8.2.5. Proceeds of Collateral. Each Borrower shall ensure and take all necessary steps to ensure that all payments of Receivables or otherwise relating to Collateral are made directly to the Revenue Account (as defined in the Depositary Agreement), or such other Borrower Collateral Account identified in writing by Administrative Agent to Borrower Agent. If any Borrower has Knowledge that it has received cash or Payment Items with respect to any Collateral, it shall hold same in trust in favor of Collateral Agent for the benefit of the Secured Parties and promptly (not later than the next two (2) Business Days thereafter) deposit same into Borrower Collateral Account or such other identified in writing by Administrative Agent to Borrower Agent.

8.3. Administration of Deposit Accounts. Schedule 8.3 sets forth all Deposit Accounts maintained by Borrowers as of the Effective Date, as the same may be supplemented, modified, amended, restated or replaced from time to time. No Borrower will open or close any Deposit Account without the written consent of the Administrative Agent (except that Borrowers will open Borrower Collateral Accounts).

8.4. General Provisions.

8.4.1. Location of Collateral. All tangible items of Collateral shall at all times be kept by Borrowers or their respective Subsidiaries at The Bank of New York Mellon, 240 Greenwich St – 7W, New York, NY 10286, Attn: Asset-Backed Securities, or such other location as Administrative Agent may designate in writing to Borrower.

8.4.2. Protection of Collateral. All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by Agents to any Person to realize upon any Collateral, shall be borne and paid by Borrowers. No Agent shall be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in Collateral Agent's actual possession), for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at Borrowers' sole risk.

8.4.3. Defense of Title. Each Borrower shall defend its title to Collateral and Collateral Agent's Liens therein against all Persons, and all other material claims and demands, except Permitted Liens.

8.5. Power of Attorney. Each Borrower hereby irrevocably constitutes and appoints each Agent (and all Persons designated by any such Agent) as Borrower's true and lawful attorney (and agent-in-fact) for the purposes provided in this Section 8.5. Any Agent's designee, may, without notice and in either its or any Borrower's name, but at the cost and expense of such Borrower:

(a) endorse any Borrower's name on any Payment Item or other proceeds of Collateral (including proceeds of insurance) that come into Collateral Agent's possession or control in the event that such Borrower does not so endorse and deposit such Payment Item or such proceeds of Collateral to the applicable Borrower Collateral Account; and

(b) during an Event of Default, (i) notify any Account Debtors of the assignment of their Accounts that constitute Collateral, demand and enforce payment of such Accounts by legal proceedings or otherwise, and generally exercise any rights and remedies with respect to such Accounts; (ii) settle, adjust, modify, compromise, discharge or release such Accounts or other Collateral, or any legal proceedings brought to collect such Accounts or other Collateral; (iii) sell or assign such Accounts and other Collateral upon such terms, for such amounts and at such times as such Agent deems advisable; (iv) collect, liquidate and receive balances in Deposit Accounts or investment accounts that constitute Collateral, and take control, in any manner, of proceeds of Collateral; (v) prepare, file and sign any Borrower's name to a proof of claim or other document in a bankruptcy of an Account Debtor, or to any notice, assignment or satisfaction of Lien or similar document; (vi) receive, open and dispose of mail addressed to a Borrower, and notify postal authorities to deliver any such mail to an address designated by Administrative Agent; (vii) endorse any Chattel Paper, Document, Instrument, bill of lading, or other document or agreement relating to any Accounts that constitute Collateral or other Collateral; (viii) use any Borrower's stationery and sign its name to verifications of such Accounts and notices to Account Debtors; (ix) use information contained in any data processing, electronic or information systems relating to Collateral; (x) make and adjust claims under insurance policies; (xi) take any action as may be reasonably necessary or appropriate to obtain payment under any letter of credit, banker's acceptance or other instrument for which any Borrower is a beneficiary; and (xii) take all other actions as Administrative Agent reasonably deems appropriate to fulfill any Borrower's obligations under the Loan Documents.

Without limiting any Agent's right or power to take any action, each Agent shall use reasonable efforts to provide written notice to Borrower Agent of any action taken by it under this Section 8.5; provided that Borrowers agree that any failure to provide such notice shall not result in any liability to the Agent or any of its Affiliates.

SECTION 9. REPRESENTATIONS AND WARRANTIES

9.1. Representations and Warranties of Each Borrower. In order to induce the Agents and Lenders to enter into this Agreement and to make each Advance to be made thereby, each Borrower represents and warrants to each Agent and each Lender that the following statements are true and correct, on (i) the Effective Date and (ii) on each Credit Date (subject to on each Credit Date any applicable materiality qualifiers with respect thereto as contemplated by Section 6.2.9 of this Agreement, but in no case including the Eligibility Representations):

9.1.1. Organization and Qualification. Such Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Such Borrower is duly qualified, authorized to do business and in good standing as a foreign entity in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

9.1.2. Power and Authority. Such Borrower is duly authorized to execute, deliver and perform the Loan Documents to which it is a party. The execution, delivery and performance of the Loan Documents to which it is a party have been duly authorized by all necessary corporate, limited liability company or partnerships, as applicable, action on the part of such Borrower.

9.1.3. Enforceability. Each Loan Document to which such Borrower is a party, and, as of each Credit Date, each Material Underlying Financing Document to which such Borrower is a party is a legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

9.1.4. Capital Structure. The Equity Interests of such Borrower have been duly authorized and validly issued and are fully paid and non-assessable. There is no existing option, warrant, call, right, commitment or other agreement to which such Borrower is a party requiring, and there is no membership interest, partnership interest, or other Equity Interests of such Borrower outstanding which upon conversion or exchange would require, the issuance by such Borrower of any additional membership interests, partnership interests or other Equity Interests of such Borrower or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest, partnership interest or other Equity Interests of such Borrower. Schedule 9.1.4 correctly sets forth the ownership interest of each Borrower as of the Effective Date with and each Credit Date.

9.1.5. No Existing Debt; Priority of Liens. Neither the Collateral nor any other asset of such Borrower is subject to any Liens other than Permitted Liens, and such Borrower does not have any Debt other than Permitted Debt. All Liens of Collateral Agent in the Collateral are duly perfected, First Priority Liens.

9.1.6. No Conflict. The execution, delivery and performance by such Borrower of the Loan Documents to which it is a party, and, as of each Credit Date, the Material Underlying Financing Documents to which it is a party, and the consummation of

the transactions contemplated by the Loan Documents to which it is a party, and, as of each Credit Date, the Material Underlying Financing Documents to which it is a party do not and will not (a) violate in any material respect (i) any provision of any Applicable Law applicable to such Borrower, (ii) any of the Organizational Documents of such Borrower, or (iii) any order, judgment or decree of any court or other agency of government binding on such Borrower; (b) conflict with, result in a breach of or constitute (immediately or upon the giving of notice) a default in any material respect under any Contractual Obligation of such Borrower; (c) result in or require the creation or imposition of any material Lien upon any of the properties or assets of such Borrower (other than any Permitted Liens); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Borrower, except for Required Approvals and such approvals or consents which were obtained on or before the Effective Date.

9.1.7. No Material Adverse Effect. (a) No Material Adverse Effect has occurred and is continuing nor (b) to such Borrower's Knowledge, does any development or event exist that could reasonably be expected to result in a Material Adverse Effect which is not covered in full (subject to customary deductibles) by insurance maintained in accordance with the Insurance Requirements fully secured or bonded.

9.1.8. Financial Statements. The consolidated and consolidating balance sheets, and related statements of income of such Borrower that have been and are hereafter delivered to Administrative Agent and Lenders, are prepared in accordance with GAAP, and fairly present in all material respects the financial positions and results of operations of such Borrower at the dates and for the periods indicated. Since September 30, 2018 there has been no change in the condition, financial or otherwise, of Borrowers taken as a whole that could reasonably be expected to have a Material Adverse Effect.

9.1.9. Payment of Taxes. Such Borrower has filed all federal, state and local Tax returns and other reports that it is required by law to file, and has paid, or made provision for the payment of, all Taxes upon it, its income and its Properties that are due and payable, except to the extent being Properly Contested or could not reasonably be expected to have a Material Adverse Effect.

9.1.10. Brokers. There are no brokerage commissions, finder's fees or investment banking fees payable by any such Borrower in connection with any transactions contemplated by the Loan Documents, other than (x) those payable to a Lender, Administrative Agent or Collateral Agent pursuant hereto or (y) those brokerage commissions, finder's fees and investment banking fees payable with respect to Underlying Financings in the Ordinary Course of Business.

9.1.11. Governmental Approvals; Other Consents. Each of

(i) the execution and delivery by such Borrower of (A) the Loan Documents to which it is a party, and (B) as of each Credit Date, the applicable Material Underlying Financing Documents to which it is a party, and

(ii) the consummation by such Borrower of the transactions contemplated by (A) the Loan Documents to which it is a party and, (B) as of each Credit Date, the applicable Material Underlying Financing Documents to which it is a party do not and will not require any registration with, consent or approval of, or notice to, or other action by, any applicable Governmental Authority, except for filings and recordings with respect to the related Collateral to be made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of (x) the Effective Date, or (y) with respect to any Underlying Financing, the Advance of each Loan or (z) as otherwise contemplated by this Agreement, and except in all cases for (1) those Consents listed on Schedule 9.1.11, and (2) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect as of the date hereof.

9.1.12. Compliance with Laws. Such Borrower is in compliance with all Applicable Laws (other than failure to comply with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations) and all applicable restrictions and regulations imposed by all Governmental Authorities in respect of the conduct of its businesses and the ownership of its Properties, except as could not reasonably be expected to have a Material Adverse Effect. There have been no citations of, notices of or orders of, material noncompliance issued by any applicable Governmental Authority to such Borrower under any securities laws.

9.1.13. Litigation. Except as shown on Schedule 9.1.13, there are no proceedings or investigations pending or, to such Borrower's Knowledge, threatened against such Borrower that (a) relate to any Loan Documents to which it is a party or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to such Borrower. Except as shown on Schedule 9.1.13 or as any Obligor has notified Administrative Agent in writing, such Borrower does not have a Commercial Tort Claim in excess of $500,000. Such Borrower is not in default with respect to any order, injunction or judgment of any applicable Governmental Authority, except as could not reasonably be expected to have a Material Adverse Effect.

9.1.14. No Defaults. No Default or Event of Default has occurred and is continuing. As of any Credit Date on which this representation is made, such Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of the Material Underlying Financing Documents to which it is a party, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

9.1.15. Payable Practices. Since the Effective Date, such Borrower has not made any change in its accounts payable practices that could reasonably be expected to have a Material Adverse Effect.

9.1.16. Governmental Regulation. No such Borrower is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

9.1.17. Margin Stock. No such Borrower is engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No Loan proceeds will be used by such Borrower to purchase or carry, or to reduce or refinance any Debt incurred to purchase or carry, any Margin Stock

9.1.18. OFAC and Corrupt Practices Laws.

(a) No Borrower is, nor, to the Knowledge of such Borrower, any Obligor, director, officer, employee, agent, affiliate or representative thereof, an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions, including, without limitation, United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (ii) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets ("Sanctioned Person"), or any similar list enforced by any other relevant sanctions authority (iii) has conducted business with or engaged in any transaction with any Sanctioned Person or (iv) located, organized or resident in a Designated Jurisdiction. Each Borrower and its Subsidiaries (if any), and to each Borrower's Knowledge, each other Obligor, have conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions. No Borrower nor any of its Subsidiaries, and to the Borrower's Knowledge, no Obligor, have been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to Sanctions.

(b) Each Borrower, and to each Borrower's Knowledge, each other Obligor, is in compliance in all material respects with all Anti-Bribery and Anti-Corruptions Laws.

(c) The Borrowers and their Subsidiaries (if any), and to the Borrower's Knowledge, each other Obligor, have conducted their businesses in compliance in all material respects with Anti-Bribery and Anti-Corruption Laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws.

(d) No part of the proceeds of Loan or any other transaction contemplated hereunder constitutes or will constitute funds obtained on behalf of any U.S. Blocked Person. No Borrower nor any of its Subsidiaries (if any), and to each Borrower's Knowledge, no other Obligor, will use, directly or indirectly, any part of the proceeds of any Loan or any other transaction contemplated hereunder in connection with any investment in, or any transactions or dealings with, any U.S. Blocked Person or otherwise in violation of Sanctions.

9.1.19. Solvency. Such Borrower is and, upon the incurrence of any obligation by each such party on any date on which this representation and warranty is made, will be, Solvent.

9.1.20. Anti-Terrorism and Money Laundering Laws. Neither such Borrower nor any Subsidiary of such Borrower (if any), and to each Borrower's Knowledge, any other Obligor, nor director or officer thereof, nor to the Knowledge of such Borrower, any agent, affiliate or representative thereof is in violation in any material respect of any Anti-Terrorism and Money Laundering Laws applicable to it. No part of the proceeds of the Loans will be used, directly or indirectly, by such Borrower for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Terrorism and Money Laundering Laws. Each Borrower, and to the Borrower's Knowledge, each other Obligor, is in compliance in all material respects with all Anti-Terrorism and Money Laundering Laws. The Borrowers and their Subsidiaries, and to the Borrower's Knowledge, each other Obligor, have conducted their businesses in compliance in all material respects with Anti-Terrorism and Money Laundering Laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws. No Borrower is a "financial institution" as defined under 31 USC § 5312(a)(1).

9.1.21. United States Trading with the Enemy Act. Neither the making of any disbursement of the Loan Facility nor the use of the proceeds thereof by such Borrower will violate in any material respect the United States Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Department of the Treasury (31 C.F.R. Subtitle B, Chapter V, as amended), or any ruling issued thereunder or any enabling legislation or Presidential Executive Order granting authority therefore (the "Foreign Asset Control Regulations").

9.1.22. Business of Borrowers. The business of such Borrower is limited to the ownership and management of the Approved Financings, activities contemplated under the Loan Documents and activities reasonably related thereto.

9.1.23. Use of Proceeds. The proceeds from Loans shall be used only as described in Section 2.3.

9.1.24. Intellectual Property. Such Borrower owns or has the lawful right to use all Intellectual Property necessary for the conduct of its business, without conflict with any rights of others, except as could not reasonably be expected to have a Material Adverse Effect. There is no pending or, to such Borrower's Knowledge, threatened Intellectual Property Claim with respect to such Borrower or any of its Property (including any Intellectual Property), except as could not reasonably be expected to have a Material

Adverse Effect. Except as disclosed on Schedule 9.1.24, such Borrower does not pay or owe any Royalty or other compensation to any Person with respect to any Intellectual Property. All registered Intellectual Property owned, used or licensed by, or otherwise subject to any interests of, such Borrower is shown on Schedule 9.1.24 (as such Schedule 9.1.24 may have been updated in accordance with Section 6.2.10).

9.1.25. Environmental Compliance. Except as disclosed on Schedule 9.1.25 (as such Schedule 9.1.25 may have been updated in accordance with Section 6.2.10), or as could not reasonably be expected to have a Material Adverse Effect, such Borrower's past or present operations, Real Estate or other Properties are not subject to any federal, state or local investigation to determine whether any remedial action is needed to address any environmental pollution, hazardous material or environmental clean-up. Such Borrower has not received any Environmental Notice that could reasonably be expected to have a Material Adverse Effect. Such Borrower has no contingent liability with respect to any Environmental Release, environmental pollution or hazardous material on any Real Estate now or previously owned, leased or operated by it that could reasonably be expected to have a Material Adverse Effect.

9.1.26. Title to Property; Priority of Liens. Such Borrower has good and marketable title to (or valid leasehold interests in) all of its Real Estate, and good title to all of its personal Property, including all Property reflected in any financial statements delivered to Administrative Agent or Lenders, except as could not reasonably be expected to have a Material Adverse Effect and, on each Credit Date, free of Liens except Permitted Liens.

9.1.27. Required Approvals. Such Borrower has obtained, and has duly complied with, all Required Approvals, except to the extent that failure to obtain or comply with such Required Approval could not reasonably be expected to have a Material Adverse Effect.

9.1.28. Insurance. All insurance required pursuant to the Insurance Requirements is in full force and effect and in compliance with the Insurance Requirements.

9.1.29. ERISA.

(a) Such Borrower has never (i) had any employees (whether under common law, as a joint employer or otherwise) or (ii) sponsored or maintained, or been contractually obligated to contribute to, any Plan, including a Title IV Plan or Multiemployer Plan, or other compensatory plan, program, arrangement or agreement for employees, directors or consultants. No ERISA Affiliate of such Borrower sponsors or maintains, nor has any such entity ever sponsored or maintained, a Title IV Plan or a plan subject to Part 3 of Subtitle B of Title I of ERISA or to Section 412 of the Code. No such ERISA Affiliate contributes to, nor has any such entity ever contributed to, a Multiemployer Plan.

(b) No Plan maintained by the ERISA Affiliates of such Borrower which is a welfare benefit plan (within the meaning of Section 3(1) of ERISA) provides or represents any liability to provide retiree life insurance, retiree health or other retiree employee welfare benefits to any person for any reason, other than as required by Code Section 4980B or Sections 601 et seq. of ERISA, the regulations thereunder, and any other published interpretive authority, as issued or amended from time to time (such provisions of law collectively referred to herein as "COBRA"), and no such ERISA Affiliate has represented, promised or contracted (whether in oral or written form) to any employee (either individually or to employees as a group) or any other person that any such employee or other person would be provided with retiree life insurance, retiree health or other retiree employee welfare benefits, other than as required by COBRA.

(c) the Borrower is not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

9.1.30. Disclosure. All factual information furnished by or on behalf of any Obligor to the Administrative Agent in connection with the negotiation and diligence of this Agreement and the transactions contemplated hereby, when taken as a whole and supplemented from time to time, or otherwise delivered hereunder for use in connection with the transactions contemplated hereby does not contain, as of the date of delivery of such factual information so furnished, any untrue statement of a material fact and does not omit to state any material fact necessary to make each statement therein not misleading in light of the circumstances under which it was made; provided, however, that with respect to any such information that (x) relates specifically to the Underlying Financing and not to such Borrower or any of its rights or interests in any such Underlying Financing and (y) was not prepared by the Obligors (other than information that was prepared by a representative of the Obligors at the direction of the Obligors), the foregoing statement is made to such Borrower's Knowledge. Any forward-looking statements, including any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by such Borrower to be reasonable at the time made, it being recognized by Administrative Agent that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

9.1.31. No Subsidiaries. Such Borrower has no Subsidiaries.

9.1.32. Beneficial Ownership Certification. As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

SECTION 10. COVENANTS AND CONTINUING AGREEMENTS

10.1. Affirmative Covenants. Each Borrower covenants and agrees that, so long as any Commitment is in effect and until Full Payment of all Obligations, such Borrower shall perform all covenants in this Section 10.1.

10.1.1. Financial Statements and Other Reports. Each Borrower will deliver to Administrative Agent and each Lender:

(a) Quarterly Financial Statements.

(i) Within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year, an unaudited balance sheet and related statements of operations and cash flows showing the consolidated financial position of HA INC (including all subsidiaries on a consolidated basis) as of the close of such Fiscal Quarter and the results of its operations during such fiscal quarter and the then-elapsed portion of the Fiscal Year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior Fiscal Year, all certified by a Financial Officer of HA INC as fairly presenting, in all material respects, the consolidated financial position and results of operations of the HA INC in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes); and

(ii) Within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year, an unaudited balance sheet and related statements of operations showing the consolidated financial position of Borrowers (including all subsidiaries (if any) on a consolidated basis) as of the close of such Fiscal Quarter and the results of its operations during such fiscal quarter and the then-elapsed portion of the Fiscal Year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior Fiscal Year, all certified by a Financial Officer of Borrowers as fairly presenting, in all material respects, the consolidated financial position and results of operations of Borrowers in accordance with GAAP (subject to normal year-end consolidation entries, audit adjustments and the absence of footnotes and other required statements).

(b) Annual Financial Statements.

(i) As soon as available, and in any event within ninety (90) days after the end of each Fiscal Year, commencing with the Fiscal Year in which the Effective Date occurs, (i) all audited financial statements of HA INC (including all subsidiaries on a consolidated basis) required pursuant to the Exchange Act, including without limitation, its consolidated balance sheets, statements of income, stockholders' equity and cash flows of the HA INC (including all subsidiaries on a consolidated basis) as at the end of such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, commencing with the first Fiscal Year for which such corresponding figures are available, in reasonable detail, together with a Financial Officer Certification and management discussions and analysis with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of the independent accounting or auditing firm (which report and/or the accompanying financial statements shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of HA INC (including all subsidiaries on a consolidated basis) as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements).

(ii) Within ninety (90) days after the end of each Fiscal Year, an unaudited balance sheet and related statements of operations showing the consolidated financial position of Borrowers (including all subsidiaries (if any) on a consolidated basis) as of the close of such Fiscal Year and the results of its operations during such Fiscal Year and setting forth in comparative form the corresponding figures for the prior Fiscal Year, all certified by a Financial Officer of Borrowers as fairly presenting, in all material respects, the consolidated financial position and results of operations of Borrowers in accordance with GAAP (subject to normal year-end audit adjustments, consolidation entries and the absence of footnotes and other required statements).

(iii) Documents required to be delivered pursuant to Section 10.1.1(a) or 10.1.1(b) will be deemed delivered when posted on the U.S. Securities and Exchange Commission's website (to the extent any such documents are included in materials otherwise filed with the U.S. Securities and Exchange Commission) or may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are posted on HA INC's behalf on an Internet or intranet website, if any, to which each Lender and Administrative Agent have access (whether a commercial, third-party website or sponsored by Administrative Agent); provided that: (i) HA INC shall deliver paper copies of such documents to Administrative Agent on behalf of any Lender that reasonably requests delivery of such paper copies until a written request to cease delivering paper copies is given by Administrative Agent or such Lender and (ii) HA INC shall notify Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents to the Internet or intranet website or U.S. Securities and Exchange Commission's website. Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by HA INC with any request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining copies of such documents.

(c) Compliance Certificate. Together with each delivery of financial statements pursuant to Sections 10.1.1(a) and 10.1.1(b), a duly executed and completed Compliance Certificate;

(d) Borrowing Base Certificate. Each Borrowing Base Certificate when required by Section 8.1.1 and in form and substance substantially similar to the form of Borrowing Base Certificate in Exhibit D-1;

(e) Notice of Default. Promptly (but in any event within five (5) Business Days) after a Borrower obtaining Knowledge of

any development or event that constitutes a Default or an Event of Default, a certificate of a Borrower signed by an Authorized Officer of a Borrower specifying in reasonable detail the nature and period of existence of such Event of Default or Default, and what action the applicable Obligor has taken, is taking and proposes to take with respect thereto;

(f) Notice of Litigation. Promptly (but in any event within five (5) Business Days) after (i) a Borrower obtaining Knowledge of any Adverse Proceeding (not previously disclosed in writing by an Obligor to Administrative Agent) in respect of any Obligor, or (ii) any Borrower obtaining Knowledge of any Adverse Proceeding in respect of a related Material Underlying Financing Participant not previously disclosed in writing by an Obligor to Administrative Agent, written notice thereof together with such other information as may be reasonably available to the applicable Obligor (including by request to the applicable Material Underlying Financing Participant) to enable Administrative Agent and its counsel to evaluate such matters;

(g) Notice Regarding Material Underlying Financing Documents; Required Approval; Material Adverse Effects . Promptly, and in any event within five (5) Business Days after a Borrower obtaining Knowledge (i) that any (A) Material Underlying Financing Document or Required Approval of any Borrower is amended in a manner that could reasonably be expected to have a Material Adverse Effect or, with respect to Material Underlying Financing Documents or a Underlying Material Adverse Effect, terminated, or (B) that any new Underlying Financing Document that is material or Required Approval is entered into or received, a written statement describing in reasonable detail such event, with copies of such material amendments or new contracts, delivered to Administrative Agent, (ii) of any material event of force majeure asserted under any Material Underlying Financing Document, to the extent reasonably available to a Borrower, copies of related material notices and other documentation delivered under such Material Underlying Financing Document and subject to compliance with the applicable confidentiality provisions therein, and an explanation in reasonable detail of any actions being taken with respect thereto, and (iii) of discovery of any event or circumstance that could reasonably be expected to have a material adverse effect on the ability of any Borrower to carry out its obligations under a related Material Underlying Financing Document, a written statement describing in reasonable detail such condition;

(h) Information Regarding Collateral. Each Borrower will furnish to each Agent prompt written notice of any change (i) in any Borrower's corporate name, (ii) in any Borrower's corporate structure or (iii) in any Borrower's type or jurisdiction of organization. Such Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise (as confirmed by the Administrative Agent in writing) that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Security Documents;

(i) Additional Reporting. Promptly, and in any event within five (5) Business Days (or such different period provided below) of a Borrower obtaining Knowledge of the occurrence thereof, notify Administrative Agent of:

(i) any Change of Law specifically affecting the Collateral, Approved Financings, any Borrower, any of their respective property or Equity Interests or any related Material Underlying Financing Participant that, in each case, could reasonably be expected to have a Material Adverse Effect or an Underlying Material Adverse Effect, including any developments with respect to any of the foregoing;

(ii) within thirty (30) days, any change in the Authorized Officers of any Borrower, including certified specimen signatures of any new Person so appointed and satisfactory evidence of the authority of such Person;

(iii) within ten (10) Business Days of receipt thereof, any written notice received or initiated by such Borrower relating to the Approved Financings, Collateral or any related Material Underlying Financing Document, or any written notice received or initiated by such Borrower relating to any related Required Approval, in each case, with respect to any act, event or circumstance that could reasonably be expected to have a Material Adverse Effect;

(iv) obtaining Knowledge of any Lien (other than a Permitted Lien) being granted or established or becoming enforceable over any of the related Collateral, together with a description thereof;

(v) any act, event or circumstance having occurred with respect to any related Approved Financing that could reasonably be expected to have a Material Adverse Effect or an Underlying Material Adverse Effect;

(vi) any event or circumstance in which an Approved Financing has become a Watched Loan and the remedial measures that Borrowers intend to take with respect to any such Watched Loans; or

(vii) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification.

10.1.2. Existence. (a) Except as otherwise permitted under Section 10.2.12, each Borrower shall, at all times, preserve and keep in full force and effect their respective existence and (b) such Borrower will at all times, preserve and keep in full force and effect their respective rights and franchises, licenses and permits material to their respective business and the Eligible Collateral (taken as a whole), except as could not reasonably be expected to have a Material Adverse Effect.

10.1.3. Inspections. Each Borrower shall at all times permit representatives and independent contractors of Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and files, including all financial, corporate and operating records and files concerning the Project Portfolio, Loan Documents, Underlying Financing Documents and Underlying Financings, and make copies thereof or abstracts therefrom, and to discuss its affairs, business (including, without limitation, all matters concerning the Project Portfolio and Underlying Financings), finances and accounts with its

directors, officers, independent public accountants, its legal counsel and other independent agents and experts, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Borrowers; provided that all reasonable and documented third-party charges, costs and expenses of Administrative Agent and its representatives and independent contractors in connection with such visits, examinations and discussions shall be reimbursed by Borrowers only in connection with two (2) such visits, examinations and discussions per fiscal year; provided, however, that when an Event of Default exists Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of Borrowers at any time during normal business hours and without advance notice.

10.1.4. Compliance with Laws.

(a) Each Borrower shall, at all times, comply with all Applicable Laws (including applicable Environmental Laws, FLSA, FATCA, OSHA and laws regarding collection and payment of Taxes) and maintain all applicable Governmental Approvals necessary to the conduct of its business, unless failure to comply (other than failure to comply with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions Anti-Bribery and Anti-Corruption Laws and Foreign Asset Control Regulations) or maintain could not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower hereby covenants and agrees (b) that it will not conduct, and will not permit any of its Subsidiaries, directors, officers or employees to conduct, business with or engage in any transaction with any Sanctioned Person.

(c) If to Borrower's Knowledge, if any Obligor thereof is named as Sanctioned Person, Borrower will promptly (i) give written notice to the Administrative Agent of such designation, and (ii) comply with all applicable requirements of Law with respect to such designation (and the Borrowers hereby authorize and consent to the Administrative Agent taking any and all steps it deems necessary, in the Administrative Agent's sole discretion to comply with all applicable requirements of Law with respect to any such designation, including the requirements of the applicable Anti- Terrorism and Money Laundering Laws (including the "freezing" and/or "blocking" of assets).

(d) The Borrower will remain in compliance with all Anti-Bribery and Anti-Corruption Laws, Anti-Terrorism and Money Laundering Laws and applicable Sanctions and will maintain in effect and enforce policies and procedures designed to ensure compliance by each Borrower, its Subsidiaries and its and their respective directors, officers, employees and agents with such laws.

10.1.5. Taxes. Each Borrower shall, at all times, pay and discharge all Taxes prior to the date on which they become delinquent or penalties attach, unless the amount is not material to it or its financial condition or such Taxes are being Properly Contested.

10.1.6. Special Purpose and Separateness. Each Borrower shall, at all times, comply with the requirements of Schedule 6.1.13.

10.1.7. Independent Manager. Each Borrower shall, at all times, (a) take such action as requested by the Independent Manager in accordance with this Agreement and the Organizational Documents of such Borrower and (b) ensure that the Independent Manager is provided with all information reasonably requested by the Independent Manager in fulfilling its duties to Administrative Agent and ensure that any information that it may supply to the Independent Manager is, taken as a whole, accurate in all material respects and not, by omission of information or otherwise, misleading in any material respect at the time such information is provided.

10.1.8. Further Assurances.

(a) At any time or from time to time upon the reasonable request of Administrative Agent, each Borrower shall, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent may reasonably request in order to effect fully the purposes of the Loan Documents.

(b) In furtherance of Section 10.1.8(a), each Borrower shall, at its own expense, take all actions that have been or shall be requested by Administrative Agent or Collateral Agent, or that such Borrower knows are necessary, to establish, maintain, protect, perfect and continue the perfection of the First Priority Liens of the Secured Parties intended to be created by the related Security Documents and shall furnish timely notice of the necessity of any such action, together with such instruments, in execution form, and such other information as may be required or reasonably requested to enable any appropriate Secured Party to effect any such action. Without limiting the generality of the foregoing, each Borrower shall, at its own expense, (i) execute or cause to be executed and shall file or cause to be filed or register or cause to be registered such financing statements, continuation statements and fixture filings in all places necessary or advisable (in the reasonable opinion of counsel for Administrative Agent or Collateral Agent) to establish, maintain and perfect such security interests created pursuant to the related Security Documents, (ii) discharge all other Liens (other than Permitted Liens) on the Collateral and (iii) deliver or publish all notices to third parties that may be required to establish or maintain the validity, perfection or priority of any Lien created pursuant to the related Security Documents.

(c) In furtherance of Section 10.1.8(a), if any Borrower shall at any time acquire any interest in property not covered by the related Security Documents or enter into any additional related Underlying Financing Documents that are material, such Borrower shall, promptly (i) as applicable; execute, deliver and record a supplement to such Security Documents, reasonably satisfactory in form and substance to Administrative Agent, and if reasonably requested, enter into a direct agreement with Collateral Agent in form and substance satisfactory to Administrative Agent and Collateral Agent and (ii) ensure that such security interest shall be valid and effective.

10.1.9. Performance of Obligations. Each Borrower shall, (i) perform and observe all of its respective covenants and

obligations contained in any Material Underlying Financing Document to which it is a party or related Required Approval to the extent that failure to do so could reasonably be expected to have a Material Adverse Effect or an Underlying Material Adverse Effect and (ii) take all reasonable and necessary actions to enforce against any Borrower, in the case of the relevant Material Underlying Financing Participant, in the case of any related Material Underlying Financing Document, each covenant or obligation under each such Material Underlying Financing Document, as applicable, to which such Person is a party in accordance with its terms as and to the extent such enforcement actions are in the best interest of the related Eligible Collateral and to the extent that failure to do so could reasonably be expected to have a Material Adverse Effect or Underlying Material Adverse Effect.

10.1.10. Insurance. HA INC shall maintain and shall maintain on behalf of and for the benefit of each Borrower insurance with insurers satisfactory to Agent, with respect to the Properties, Collateral and business of Obligors of such type (including general liability, umbrella policy, D&O and workers compensation coverages), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated.

10.1.11. Intellectual Property. Each Borrower shall, keep each License affecting any Collateral or affecting any other material Property of such Borrower in full force and effect as is customary for companies similarly situated, except as could not reasonably be expected to have a Material Adverse Effect.

10.1.12. Accounts. Borrower shall instruct each Person remitting cash to or for the account of Borrowers to deposit such cash directly into the Borrower Collateral Accounts for application in accordance with the terms of the Depositary Agreement and each Borrower shall promptly deposit all proceeds received from an equity contribution as well as all Revenues (as defined in the Depositary Agreement) into the Borrower Collateral Accounts. Each Borrower shall promptly remit any amounts received by it or received by third parties on its behalf to Collateral Agent for deposit in the Borrower Collateral Accounts in accordance with the terms of the Depositary Agreement.

10.1.13. Books and Records. Each Borrower shall keep proper books of record and accounts in conformity in all material respects with GAAP.

10.1.14. Collateral. Each Borrower shall promptly after its receipt thereof (a) deliver (i) to the Collateral Agent each original note (if any) issued to a Borrower in connection with each of its Approved Financings, (ii) to the Administrative Agent copies of the Underlying Financing Documents in respect of each such Approved Financing, and (iii) to the extent requested by the Administrative Agent, originals of the Underlying Financing Documents (to the extent originals are available to the Borrowers) to the Administrative Agent (or Collateral Agent, if so directed by the Administrative Agent) and (b) take any other action reasonably requested by the Administrative Agent in order to ensure that the originals of the Underlying Financing Documents (to the extent requested and available in accordance with clause (a)) are at all times held by the Administrative Agent (or Collateral Agent if so directed by the Administrative Agent).

10.1.15. Lien Search. The Borrowers shall deliver to the Administrative Agent, on the one year anniversary of the Effective Date and each one year anniversary thereafter, the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other lien filings (other than Permitted Liens), if applicable, on any of the Borrowers.

10.1.16. Monthly Reports. Borrowers shall deliver via a database or similar data storage platform to Administrative Agent no later than ten (10) Business Days after the end of each month all Written Materials and Notices delivered to a Borrower during such month.

10.2. Negative Covenants. Each Borrower covenants and agrees that, so long as any Commitment is in effect and until Full Payment of all Obligations, it shall not:

10.2.1. Debt. Directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Debt, except for the following Debt ("Permitted Debt"):

(a) with respect to Borrowers, the Obligations; and

(b) to the extent constituting Debt, Debt in respect of a Borrowers deferred purchase price obligation under any master purchase agreement/assignment schedule but solely with respect to Approved Financings.

10.2.2. Permitted Liens. Directly or indirectly, create, incur, assume or permit to exist, any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of any Borrower, whether now owned or hereafter acquired or licensed, or any income, profits or royalties therefrom, or file or permit the filing of any financing statement or other similar notice of any Lien, or permit to remain in effect, any financing statement or other similar notice of any Lien of which it has Knowledge, with respect to any such property, asset, income, profits or royalties under the UCC of any State or under any similar recording or notice statute or under any applicable intellectual property laws, rules or procedures, except for the following Liens (collectively, "Permitted Liens"):

(a) Liens in favor of the Collateral Agent for the benefit of the Secured Parties granted pursuant to the related Loan Documents;

(b) Liens for Taxes if obligations with respect to such Taxes are not material with respect to it or its financial condition or

are being Properly Contested; and

(c) Liens securing obligations that are not at any time in the aggregate greater than $100,000.

10.2.3. Use of Proceeds. Directly or indirectly, use any of the proceeds from any Advance for any purpose other than as set forth in Section 2.3.

10.2.4. Subsidiaries. Form or have any Subsidiaries.

10.2.5. Ordinary Course of Conduct; No Other Business. (a) Engage in any business other than the acquisition, ownership, financing, implementation and maintenance of the Eligible Collateral and any other Approved Financings in accordance with the related Loan Documents or (b) undertake any action that could reasonably be expected to lead to a material alteration of the nature of its business or the nature or scope of such Approved Financings.

10.2.6. Accounts. Establish or maintain any bank accounts other than the Borrower Collateral Accounts.

10.2.7. Other Agreements. Enter into any material Contractual Obligation other than, with respect to Borrowers, the Loan Documents and Material Underlying Financing Documents.

10.2.8. Assignment. Assign or otherwise transfer its rights under any Material Underlying Financing Documents to any Person other than the assignment of the related Material Underlying Financing Documents to the Collateral Agent as security for the benefit of the Secured Parties.

10.2.9. Margin Regulations. Directly or indirectly apply any part of the proceeds of any Advance or other revenues to the purchasing or carrying of any margin stock within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve of the United States, or any regulations, interpretations or rulings thereunder.

10.2.10. Restrictions on Employees and Employee Plans. (a) Hire, retain or otherwise incur any liability with respect to any employees (whether under common law or otherwise) or leased employees, or (b) adopt, sponsor, maintain, or otherwise contribute to, any Plan, including a Title IV Plan or Multiemployer Plan, or other compensatory plan, program, arrangement or agreement for employees, directors or consultants.

10.2.11. Investment Company Act. Take any action that would result in any Borrower being required to register as an "investment company" under the Investment Company Act of 1940.

10.2.12. Merger; Bankruptcy; Dissolution; Transfer of Assets. Agree to or permit any other Borrower to:

(a) enter into any transaction of merger or consolidation;

(b) dispose of all or any part of its Property, including its interest in the Eligible Collateral, whether now owned or hereafter acquired, except for Permitted Dispositions;

(c) acquire by purchase or otherwise the business, Property or fixed assets of, or Equity Interests or other evidence of beneficial ownership interests in any Person (other than Approved Financings).

(d) transfer or release (other than as permitted by clause (b) above or pursuant to Section 8.1.4) any of the Collateral.

10.2.13. Restricted Investments. Make any Restricted Investment.

10.2.14. Restricted Payments. Make or authorize any Restricted Payment unless, with respect to Borrowers, each of the following conditions has been satisfied as determined by Administrative Agent in its discretion:

(a) The applicable Payment Date Borrowing Base Certificate has been delivered and approved by Administrative Agent and, after giving effect to any required principal pre-payments identified on such certificate, such certificate indicates that (i) the Borrowing Base exceeds the Aggregate Usage and (ii) Borrowers are in compliance with the Interest Service Coverage Ratio Threshold for the most recent Interest Coverage Calculation Period;

(b) any principal due and payable by Borrowers based on the certificate referred to in clause (a) of this Section 10.2.14 and otherwise pursuant to Section 5.2.1 has been paid in full to the Lenders;

(c) no Default or Event of Default has occurred and is continuing or would exist after giving effect to any such Restricted Payment; and

(d) no Watched Loan not otherwise identified in the Borrowing Base Certificate referred to in Section 10.2.14(a) has been identified between the period beginning on the date of delivery of such certificate and ending on the payment date of the Restricted Payment, or, if such a Watched Loan has been identified, Administrative Agent and Borrowers have agreed as to the BB Nominal Value and BB Adjusted Value for such Watched Loan and a revised Borrowing Base Certificate reflecting such new value and indicating that the Borrowing Base exceeds the Aggregate Usage has been submitted and approved by Administrative Agent.

Each Borrower may make Restricted Payments in accordance with the Depositary Agreement or this Section 10.2.14.

10.2.15. Issuance of Stock. Issue Equity Interests to any other Person (other than with respect to equity contributions made in cash by Guarantors to any Borrower for the limited purpose of maintaining adequate capitalization of a Borrower Party so long as the provisions set forth in clause (c) of the definition of Permitted Investments have been satisfied).

10.2.16. Transactions with Shareholders and Affiliates. Directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of such Borrower on terms that are less favorable to such Borrower than those that might be obtained at the time from a Person who is not such a holder or Affiliate, excluding any transactions under any Loan Document, Organizational Documents or Material Underlying Financing Document.

10.2.17. Amendments or Waivers of Organizational Documents. Agree to any amendment, restatement, supplement or other modification to, or waiver of, any of its Organizational Documents after the Effective Date if such amendment, restatement, supplement, modification or waiver would be adverse to Lenders or could be reasonably expected to result in a Material Adverse Effect without, in each case, obtaining the prior written consent of Administrative Agent (acting at the direction of the Required Lenders) to such material amendment, restatement, supplement or other modification or waiver (which consent shall not be unreasonably withheld, conditioned or delayed).

10.2.18. Amendment of and Notices Under Material Underlying Financing Documents. Except as otherwise provided in this Section 10.2.18, without the prior written consent of the Administrative Agent (acting at the direction of the Required Lenders) which consent shall not be unreasonably delayed, directly or indirectly:

(a) permit (other than the termination of a Material Underlying Financing Document in the ordinary course in accordance with any right of termination for convenience, buyout, prepayment or similar termination right under and in accordance with the Material Underlying Financing Documents and so long as, in each such case, such right is not being exercised as a result of a default or failure to perform by any of the parties to the applicable document) or issue any notice or take any other action which would reasonably be expected to lead to the abrogation, cancellation, suspension or termination of any Material Underlying Financing Document;

(b) permit or issue any notice or take any other action which would reasonably be expected to result in the cancellation, suspension or termination of any Required Approval, the effect of which could reasonably be expected to have a Material Adverse Effect;

(c) sell, transfer, assign or otherwise dispose of all or any part of its material rights or interests in any Material Underlying Financing Document or Required Approval (except for a Permitted Disposition);

(d) subject to clause (a) above, waive any default under or breach of any Material Underlying Financing Document (other than waivers that are of a formal, minor or technical nature and do not change materially any Person's rights or obligations thereunder; provided that any such waiver shall be delivered to the Administrative Agent);

(e) subject to clause (a) above, waive, fail to enforce, forgive or release any material right, interest or entitlement whatsoever arising under or in respect of any Material Underlying Financing Document;

(f) subject to clause (a) above, exercise any right to initiate an arbitration proceeding or expert decision under any Material Underlying Financing Document or take any action with respect to any arbitration proceeding or expert decision commenced under any Material Underlying Financing Document;

(g) replace any Material Underlying Financing Participant under any Material Underlying Financing Document or agree to or permit the assignment of any material rights or the delegation of any material obligations of any Material Underlying Financing Participant under any Material Underlying Financing Document or Required Approval except as may be required by the Security Documents; or

(h) agree to amend, supplement or otherwise modify any Material Underlying Financing Document or any rights or obligations of any Material Underlying Financing Participant thereunder (other than such modifications as are required to correct a manifest error or are of a formal, minor or technical nature and do not change materially any Person's rights or obligations thereunder; provided that any such modification shall be delivered to the Administrative Agent no later than three (3) Business Days prior to the anticipated execution and delivery thereof); provided further, that consent of the Administrative Agent (acting at the direction of the Required Lenders) shall not be required if the Borrowers satisfy the following conditions prior to agreeing to any such amendment, supplement or other modification: (i) the Borrowers shall make the Eligibility Representations with regard to the Approved Financing which is subject to such amendment, supplement or other modification as of the date of such amendment, supplement or other modification, (ii) the Borrowers shall certify to the Administrative Agent that such proposed amendment, supplement or other modification, as applicable, if given effect, (A) would not result in the Aggregate Usage exceeding the then applicable Borrowing Base and (B) such amendment, supplement or other modification shall not affect the Collateral Agent's First Priority Lien on the applicable Collateral or ability to enforce thereon (and the certifications given by the Borrower under this Section 10.2.18(h)(ii) shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers), and (ii) if such proposed amendment, supplement or other modification, as applicable, if given effect, would cause the Aggregate Usage to exceed the then applicable Borrowing Base, the Borrowers shall make a Mandatory Prepayment in accordance with Section 5.2.1 in the amount of such excess concurrently with the effectiveness of such amendment, supplement or other modification;

provided that any action taken or not taken by Administrative Agent or the Lenders pursuant to this Section 10.2.18 shall be independent of and shall not in any way negatively affect or otherwise limit Administrative Agent's or the Lenders' rights under and pursuant

to Section 8.1.

10.2.19. Collateral. Take any action to cause the original Underlying Financing Documents to be held by any party other than the Collateral Agent on behalf of the Administrative Agent for the benefit of the Secured Parties, except with the written consent of the Required Lenders.

10.2.20. Loans. Make any loans or other advances of money to any Person except, in respect of a Borrower, to the respective Underlying Borrower in respect of an Approved Financing pursuant to the terms of the Underlying Financing Agreements or an Approved Financing pursuant to the terms of the Underlying Financing Agreements.

10.2.21. Sanctions. Directly or indirectly, use the proceeds of any Loan or L/C Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Issuing Bank, Administrative Agent, or otherwise) of Sanctions.

10.2.22. Interest Service Coverage Ratio. Permit the Interest Service Coverage Ratio as of the end of any Semi-annual Period to be less than the Interest Service Coverage Ratio Threshold as of the last day of such period.

10.2.23. Hedge Agreements. Enter into any Hedge Agreement.

SECTION 11. EVENTS OF DEFAULT; REMEDIES ON DEFAULT

11.1. Events of Default. Each of the following shall be an "Event of Default" if it occurs for any reason whatsoever, whether voluntary or involuntary, by operation of law or otherwise:

11.1.1. Failure to Make Payments When Due. Failure by a Borrower to *(i)* pay any interest due on the Loans or any fee or any other amount (other than amounts referred to in clauses (ii) and (iii) of this Section 11.1.1) due hereunder within five (5) Business Days after the date due, *(i)* pay any principal amount due on the Loans, including without limitation, pursuant to Section 5.2.1(a), Section 5.2.1(b) and Section 5.2.1(c), on the date such payment is due or *(i)* pay any fee or other amount payable pursuant to Sections 2.4.22, 3.4.2, 3.7, 3.8 and 5.7 on the date such payment is due.

11.1.2. Default in Other Agreements. Any failure by any Guarantor (a) to pay any amount due under the Guaranty; provided that if the amount being claimed under the Guaranty is solely in respect of interest, fees or such other amounts that, in each such case, are referred to and payable by Borrowers in accordance with clause (i) of Section 11.1.1, then any Guarantors failure to pay any such amount under the Guaranty shall not be an immediate Event of Default but shall mature into an Event of Default immediately upon the expiration, without payment by Borrowers, of the five (5) Business Day cure period provided to Borrowers in such clause (i) of Section 11.1.1, (b) to perform or observe any of its obligations under Section 15(b)(i)(B) (*Existence*) or Section 15(b)(ii) (*Inspections; Books and Records*) of the Guaranty, which failure, if capable of being cured, remains uncured for a period of five (5) Business Days after the date that any such Guarantor receives notice or otherwise Knows of any such failure, (c) to perform or observe any of the covenants set forth in Section 15(b)(i)(A) (*Existence*), Sections 15(b)(v) (*Financial Covenants*), (vii) (*Margin Regulations*), (viii) (*Investment Company Act*), (ix) (*Merger; Bankruptcy*) or (x) (*Acquisitions*) of the Guaranty, or (d) to make any payment (other than under the Guaranty) when due (whether by scheduled maturity, required payment, acceleration, demand, or otherwise) in respect of any Debt having an aggregate outstanding principal amount of more than $50,000,000. For the avoidance of doubt, "Debt" for purposes of clause (d) of this Section 11.1.2 shall not include Non-Recourse Debt.

11.1.3. ERISA Event. Either (i) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of an Obligor to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan or (ii) an Obligor or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, in each case, to the extent such event, liability or failure has or could reasonably be expected to have a Material Adverse Effect.

11.1.4. Covenants Without Cure Period. (a) Any failure by any Borrower to perform or observe any of its obligations under Section 8.1.2, 8.1.3, 8.1.4, clauses (e), (f), (g), (i)(iv), (i)(v), (i)(vi) or (i)(vii) of Section 10.1.1, 10.1.2(b), 10.1.3, 10.1.6 , 10.1.9, 10.1.12, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.13, 10.2.14, 10.2.15, 10.2.16 and 10.2.18 which failure, if capable of being cured, remains uncured for a period of five (5) Business Days after the date that any Borrower receives notice or otherwise Knows of such failure; or (b) any failure by any Borrower to perform or observe any of its obligations under Sections 8.2.4, 10.1.1(a), 10.1.7, or 10.2 (other than those clauses of Section 10.2 specified in clause (a) of this Section 11.1.4).

11.1.5. Covenants and Other Agreements with Cure Period. Any failure by a Borrower or Guarantor to perform or observe any of the covenants or provisions set forth in any Loan Document to which it is a party (exclusive of any events specified as an Event of Default in any other clause of this Section 11.1), which failure, if capable of being cured, remains uncured for a period of thirty (30) days (the "Initial Cure Period") after the date that such Borrower or Guarantor receives notice or otherwise Knows of such failure; provided that an event specified in this Section 11.1.5 which is capable of being cured shall not constitute an Event of Default until an additional thirty (30) days following the Initial Cure Period has elapsed, if such Borrower or Guarantor began taking actions

to cure such event during the Initial Cure Period and reasonably expects that such cure will be accomplished within such additional thirty (30) days.

11.1.6. Breach of Representations, Etc. Any representation or warranty herein or in any other Loan Document or in any written statement, report, financial statement or certificate made or delivered to any Agent or Lender by or on behalf of any Obligor in connection with the Loan Documents (other than any representations or warranties contained in Appendix 2A or B given in connection with any Approved Financing) shall be false or misleading in any material respect (without duplication of other materiality qualifiers) as of the date made.

11.1.7. Involuntary Bankruptcy; Appointment of Receiver, Etc. (a) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Obligor in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (b) an involuntary case shall be commenced against any Obligor under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect and any such event described in this clause (b) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or (c) a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Obligor, or over all or a substantial part of its property, shall have been entered, or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of any Obligor for all or a substantial part of its property, or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of any Obligor.

11.1.8. Voluntary Bankruptcy; Appointment of Receiver, Etc. (a) Any Obligor shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or any Obligor shall make any assignment for the benefit of creditors; or any Guarantor shall, or any Guarantor shall agree to, liquidate, wind up or dissolve itself or otherwise commence any Insolvency Proceedings in respect of itself or file any petition or pass a resolution seeking the same; or (b) any Obligor shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of any Obligor (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 11.1.7.

11.1.9. Judgments and Attachments. One or more Governmental Judgments shall be entered against any Obligor and (a) such Governmental Judgments shall not be vacated, discharged or stayed or bonded pending appeal for a period of sixty (60) days and (b)(i) the aggregate amount of all such Governmental Judgments outstanding at any time (except to the extent Borrowers have provided Administrative Agent with evidence satisfactory to Administrative Agent that a bona fide claim exists under its insurance policies in respect of such judgment and no insurer has disputed coverage for such claim or such Obligor has posted collateral satisfactory to the Administrative Agent) exceeds $1,000,000 (in the case of Borrowers), $10,000,000 (in the case of Pledgors), and $50,000,000 (in the case of the Guarantors) and (ii) such Governmental Judgments could reasonably be expected to have a Material Adverse Effect.

11.1.10. Dissolution. Any order, judgment or decree shall be entered against any Obligors decreeing the dissolution, liquidation or winding up or split up of such Person.

11.1.11. Change of Control. A Change of Control shall have occurred prior to a Permitted Foreclosure.

11.1.12. Unenforceability, Termination, Repudiation or Transfer of Any Loan Document. Any Loan Document or any material provision hereof or thereof (a) is terminated (other than in accordance with its terms), (b) ceases to be valid and binding and in full force and effect, or the performance of any material obligation under any such document by any Obligor becomes unlawful, (c) is declared to be void or is repudiated or is the subject of a challenge to its validity or enforceability by any Obligor, or (d) shall be assigned or otherwise transferred or terminated by any Obligor party thereto prior to the repayment in full of all Obligations in any manner except as provided for herein.

11.1.13. Security Interests. Any of the Security Documents shall fail in any respect to provide the Liens, security interests, rights, titles, interests, remedies, powers or privileges intended to be created thereby or such Lien in respect of all or any portion of the Collateral shall fail to have the priority contemplated therefore in such Security Documents, or any such Security Document or Lien in respect of all or any portion of the Collateral shall cease to be in full force and effect, or the validity thereof or the applicability thereof to the Advances, the Obligations or any other obligations purported to be secured or guaranteed thereby or any part thereof, shall be disaffirmed by or on behalf of any Obligor party thereto (other than Administrative Agent or Collateral Agent).

11.1.14. Governmental Approvals and Required Approvals. Any Borrower shall fail to obtain, renew, maintain or comply in all material respects with any Required Approval or any such Required Approval shall be rescinded, terminated, suspended, modified, withdrawn or withheld or shall be determined to be invalid or shall cease to be in full force and effect and such circumstances could reasonably be expected to result in a Material Adverse Effect; or any proceedings shall be commenced by or before any Governmental Authority for the purpose of rescinding, terminating, suspending, modifying, withdrawing or withholding any such Required Approval and such proceedings could reasonably be expected to result in a Material Adverse Effect.

11.1.15. Foreign Asset Control Regulations; Anti-Bribery and Anti-Corruption Laws . Any disbursements of the Loan Facility or the use of the proceeds thereof shall violate Anti-Bribery and Anti-Corruption Laws or the Foreign Asset Control Regulations in any material respect.

11.1.16. Anti-Terrorism and Money Laundering Laws. Any Obligor or any of their respective Principal Persons shall fail to comply in any material respects with the Anti-Terrorism and Money Laundering Laws.

11.1.17. Investment Company Act of 1940. Any failure by any Obligor to qualify for an exclusion from registration as an investment company under the Investment Company Act of 1940.

11.1.18. Watched Loans. At any time prior to the Maturity Date, fifty percent (50%) or more of the total Approved Financings are Watched Loans.

11.2. Remedies upon Default.

11.2.1. Upon the occurrence and continuation of (a) any Event of Default described in Section 11.1.7 or 11.1.8 in respect of any Borrower, automatically, and (a) during the continuance of any other Event of Default and after notice to Borrower Agent by Administrative Agent (at the direction of the Required Lenders), (i) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by Borrower: (A) the unpaid principal amount of and accrued interest on the Loans and (B) all other Obligations and the obligations of the Borrowers to cash collateralize the L/C Obligations shall automatically become effective; (ii) Administrative Agent may direct Collateral Agent to enforce any and all Liens and security interests created in the Collateral of Borrowers pursuant to the Security Documents; (iii) Administrative Agent may exercise any and all rights and remedies available to it with respect to the Eligible Collateral, any Obligor under any Material Underlying Financing Document to which such Obligor is a party, or any Material Underlying Financing Participant under any Material Underlying Financing Document or otherwise under Applicable Laws and (iv) with respect to clause (a), the obligation of each Lender to make Loans and any obligations of the applicable Issuing Bank to issue Letters of Credit shall automatically terminate, and with respect to clause (b) declare the Commitment of each Lender to make Loans and any obligations of the applicable Issuing Bank to issue Letters of Credit to be terminated, whereupon such Commitments and obligations shall be terminated. Notwithstanding anything to the contrary herein, payment of (a) any Mandatory Prepayment payable pursuant to Section 8.1.3(f)(vii), 8.1.3(g) or 8.1.3(h), (b) any Ineligible Asset Fee payable pursuant to Section 8.1.3(f)(iii) or 8.1.3(f)(iv), (c) the expenses of the Administrative Agent incurred during the due diligence of the related Non-Fundamental Distressed Asset, Fundamental Distressed Asset and Approved Financing that is subject to Specified Ground Lease Default (solely to the extent such expenses are payable by the Borrowers under the Loan Documents) shall be the exclusive remedy with respect to a breach of any Eligibility Representation or any Obligation under Section 8.1.3(f), (g), or (h), and no Default or Event of Default shall result from any such breach, other than a Default or Event of Default resulting from the failure to pay such amounts.

11.2.2. In addition to the rights and remedies provided to Administrative Agent in Sections 11.2.1 and 11.2.3, upon the occurrence of and during the continuation of any Event of Default, Administrative Agent shall, at the direction of, or may with the consent of, the Required Lender, have the right to exercise all rights of each Borrower with respect to each Approved Financing.

11.2.3. Each Borrower acknowledges and agrees that Administrative Agent shall have the continuing and exclusive right to apply and reapply proceeds of Collateral against the Obligations, in such manner as Administrative agent deems advisable.

11.3. Sub-License. Each Agent is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of Borrowers, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, for the purpose, upon the occurrence and during the continuation of any Event of Default, of advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral or other Property of any Borrower. Each Borrower's rights and interests under Intellectual Property shall inure to Agents' benefit.

11.4. Setoff. At any time during the existence of an Event of Default, Administrative Agent, Lenders, Issuing Banks and any of their respective Affiliates are authorized, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by Administrative Agent, or any such Lender, Issuing Bank or Affiliate to or for the credit or the account of an Obligor against any Obligations, whether or not Administrative Agent, such Lender, such Issuing Bank or such Affiliate shall have made any demand under any Loan Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of Administrative Agent, such Lender, such Issuing Bank or such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness. The rights of Administrative Agent, each Lender, each Issuing Bank and each such Affiliate under this Section 11.4 are in addition to other rights and remedies (including other rights of setoff) that such Person may have. Administrative Agent, each Lender and each Issuing Bank agrees to use reasonable efforts to notify Borrower Agent and Administrative Agent promptly after any such setoff and application; provided, however, that (i) the failure to give such notice shall not affect the validity of such setoff and (ii) none of the Administrative Agent, any Lender nor any Issuing Bank shall have any liability in the event of any failure to give such notice.

11.5. Remedies Cumulative; No Waiver.

11.5.1. Cumulative Rights. All agreements, warranties, guaranties, indemnities and other undertakings of Obligors under the Loan Documents are cumulative and not in derogation of each other. The rights and remedies of Agents, Issuing Banks and Lenders under the Loan Documents are cumulative, may be exercised at any time and from time to time, concurrently or in any order, and are not exclusive of any other rights or remedies available by agreement, by law, at equity or otherwise. All such rights and remedies shall continue in full force and effect until Full Payment of all Obligations.

11.5.2. Waivers. No waiver or course of dealing shall be established by (a) the failure or delay of any Agent, any Issuing Bank or any Lender to require strict performance by any Obligor under any Loan Document, or to exercise any rights or remedies with respect to Collateral or otherwise; (b) the making of any Loan during a Default, Event of Default or other failure to satisfy any conditions precedent; or (c) acceptance by any Agent, any Issuing Bank or any Lender of any payment or performance by an Obligor under any Loan Documents in a manner other than that specified therein. Any failure to satisfy a financial covenant on a measurement date shall not be cured or remedied by satisfaction of such covenant on a subsequent date.

SECTION 12. AGENT

12.1. Appointment and Authority. Each of Lenders and Issuing Banks hereby irrevocably appoints Bank of America to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 12 are solely for the benefit of Administrative Agent, Lenders and Issuing Banks, and neither Borrowers nor any other Obligor shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

12.2. Exculpatory Provisions.

12.2.1. No Duty. Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity; and

(d) shall not have any responsibility, duty or liability for monitoring or enforcing the list of Approved Banks or for any assignment of any Loan or Commitment or for the sale of any participation, in either case, to a Person that is not an Approved Bank.

12.2.2. Required Lenders. Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 14.1 and 11.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to Administrative Agent by Borrowers, a Lender or an Issuing Bank.

12.2.3. Reliance. Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 6 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

12.3. Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for

relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender or Issuing Bank, Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan. Administrative Agent may consult with legal counsel (who may be counsel for Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12.4. Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 12 shall apply to any such sub-agent and to the Related Parties of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

12.5. Resignation of Administrative Agent.

12.5.1. Resignation. Administrative Agent may at any time give notice of its resignation to Lenders, Issuing Banks and Borrowers; provided that Bank of America will not resign as Administrative Agent unless otherwise required by law or in order to comply with regulatory requirements applicable to it; provided, further, that any successor to Bank of America by merger or acquisition of stock shall continue to be Administrative Agent hereunder without further act on the part of any Secured Party or Obligor. Upon receipt of any such notice of resignation, Required Lenders shall have the right, in consultation with Borrowers, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of Lenders and Issuing Banks, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

12.5.2. Removal. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to Borrower Agent and such Person remove such Person as Administrative Agent and, in consultation with Borrowers, appoint a successor. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

12.5.3. Effect of Resignation or Removal. With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender and each Issuing Bank directly, until such time, if any, as Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 5.7.6 and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 12.5). The fees payable by Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Section 12 and Section 14.2 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

12.5.4. Effect of Resignation on Issuing Bank. Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an Issuing Bank. If Bank of America resigns as an Issuing Bank, it shall retain all the rights, powers, privileges and duties of and Issuing Bank hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an Issuing Bank and all L/C Obligations with respect thereto, including the right to require the Lenders to make L/C Advances or fund risk participations in Unreimbursed Amounts pursuant to Sections 2.4.7 and 2.4.8. Upon the appointment by the Borrower of any successor Issuing Bank hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers,

privileges and duties of the retiring Issuing Bank, (b) the retiring Issuing Bank shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to retiring Issuing Bank to effectively assume the obligations of retiring Issuing Bank with respect to such Letters of Credit.

12.6. Non-Reliance on Administrative Agent and Other Lenders. Each Lender and Issuing Bank acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender or Issuing Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Bank also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document or any related agreement or any document furnished hereunder or thereunder.

12.7. No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent, Collateral Agent, or a Lender or Issuing Bank hereunder.

12.8. Administrative Agent May File Proofs of Claim.

12.8.1. Authorization. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Borrower or Guarantor, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders, Issuing Banks and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and Advances of Lenders, Issuing Banks and Administrative Agent and their respective agents and counsel and all other amounts due Lenders, Issuing Banks and Administrative Agent under Sections 3.2, 3.4 and 14.2) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuing Bank to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lenders or Issuing Banks, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 3.2, 3.4 and 14.2.

12.8.2. No Reorganization Authorization. Nothing contained herein shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank to authorize Administrative Agent to vote in respect of the claim of any Lender or Issuing Bank in any such proceeding.

12.9. Collateral and Guaranty Matters.

12.9.1. Further Authorization. Without limiting the provisions of Section 12.8, Lenders and Issuing Banks irrevocably authorize Administrative Agent, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by Administrative Agent under any Loan Document (i) upon the Commitment Termination Date and Full Payment of all Obligations, (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 14.1, if approved, authorized or ratified in writing by Required Lenders; and

(b) to subordinate any Lien on any property granted to or held by Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 10.2.2.

12.9.2. Confirmation of Release Authority. Upon request by Administrative Agent at any time, Required Lenders will confirm in writing Administrative Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 12.9.

12.9.3. Reliance. Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of Administrative Agent's Lien thereon, or any certificate prepared by any Borrower or Guarantor in connection therewith, nor shall Administrative Agent be responsible or liable to Lenders or Issuing Banks for any failure to monitor or maintain any portion of the Collateral.

12.10. Certain ERISA Matters. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Obligor, that at least one of the following is and will be true:

(a) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments;

(b) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

(c) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(d) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(e) In addition, unless either (A) clause (a) in this Section 12.10 is true with respect to a Lender or (B) a Lender has provided another representation, warranty and covenant in accordance with clause (d) of this Section 12.10, such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 13. BENEFIT OF AGREEMENT; ASSIGNMENTS

13.1. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 13.3 or (ii) by way of participation in accordance with the provisions of Section 13.2 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 13.2 and, to the extent expressly contemplated hereby, the Related Parties of each of Administrative Agent, Issuing Banks and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

13.2. Participations.

13.2.1. Participations. Any Lender may at any time, without the consent of, or notice to, Borrowers or Administrative Agent, sell participations to any Approved Bank (other than a natural Person, a Defaulting Lender or Borrowers or any of Borrowers' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations (iii) Borrowers, Administrative Agent, Issuing Banks and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 14.2.2 without regard to the existence of any participation and (iv) so long as an Event of Default has occurred and is continuing, any Lender may sell participations to any Person (other than a natural Person or a Defaulting Lender) without the consent of, or notice to, Borrowers.

13.2.2. Participation Instruments. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 14.1.1 that affects such Participant. Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.7, 3.8 and 5.7

to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 13.3 (it being understood that the documentation required under Section 5.8 shall be delivered to Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 13.3; provided that such Participant (A) agrees to be subject to the provisions of Sections 5.9, 13.4 and 14.11 as if it were an assignee pursuant to Section 13.3 and (B) shall not be entitled to receive any greater payment under Sections 3.7, 3.8 and 5.7, with respect to any participation, than Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at Borrowers' request and expense, to use reasonable efforts to cooperate with Borrowers to effectuate the provisions of Section 5.9.1 or 5.9.2, with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 5.5.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

13.2.3. Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Borrower Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

13.3. Assignments.

13.3.1. Permitted Assignments. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this Section 13.3.1, participations in L/C Obligations) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(a) Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(b) No consent from any Person shall be required for any assignment of Loans or Commitments except:

(i) the consent of Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed);

(ii) so long as no Event of Default has occurred and is continuing, the consent of the Borrower Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required, unless such assignment is to a Lender, an Affiliate of such Lender or an Approved Bank, in which case no consent from the Borrower Agent or any other Borrower shall be required; provided that, to the extent Borrower Agent consent is required in accordance with this clause (ii) and such assignment is for less than $5,000,000, Borrower Agent shall deemed to have consented to any such assignment unless it shall object thereto by written notice to Administrative Agent within five (5) Business Days after having received notice thereof; and

(iii) the consent of each Issuing Bank (such consent not to be unreasonably withheld, conditioned or delayed).

(c) The parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

(d) No such assignment shall be made (i) to any Borrower or any Affiliate or Subsidiary of any Borrower, (ii) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii), or (iii) to a natural Person.

(e) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or other compensating actions, including funding, with the consent of Borrower Agent and Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent, any Issuing Bank or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage.

Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this clause (g), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

13.3.2. Accession; Survival. Subject to acceptance and recording thereof by Administrative Agent pursuant to Section 13.3.3, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits and obligations of Sections 3.7, 3.8, 5.7, 5.9.1, 5.9.2, 14.2, and 14.11 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, Borrowers (at their expense) shall execute and deliver a Borrower Note(s) to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.3.2 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 13.2.

13.3.3. Register. Administrative Agent, acting solely for this purpose as an agent of Borrowers (and such agency being solely for tax purposes), shall maintain at Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and the Register. The entries in the Register shall be conclusive absent manifest error, and Borrowers, Administrative Agent, Issuing Banks and Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrowers, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

13.3.4. Resignation as Issuing Bank after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to Section 13.3.1 above, Bank of America may, upon thirty (30) days' notice to the Administrative Agent, the Borrower and the Lenders, resign as an Issuing Bank. In the event of any such resignation as Issuing Bank, the Borrower shall be entitled to appoint from among the Lenders a successor Issuing Bank hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Issuing Bank. If Bank of America resigns as an Issuing Bank, it shall retain all the rights, powers, privileges and duties of an Issuing Bank hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an Issuing Bank and all L/C Obligations with respect thereto (including the right to require the Lenders to make L/C Advances or fund risk participations in Unreimbursed Amounts pursuant to Sections 2.4.7 and 2.4.8). Upon the appointment of a successor Issuing Bank, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank, and (b) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit.

13.4. Replacement of Certain Lenders.

13.4.1. Replacement. If Borrowers are entitled to replace a Lender pursuant to the provisions of Section 5.9, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then Borrower Agent may, at its sole expense and effort, upon notice to such Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 13.1), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.7 and 5.7) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) Borrower shall have paid to Administrative Agent the assignment fee (if any) specified in Section 13.1;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.8) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 5.7 or payments required to be made pursuant to Section 3.7, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

13.4.2. No Assignment for Waiver. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

13.4.3. Notwithstanding anything in this Section to the contrary, (i) any Lender that acts as Issuing Bank may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Bank or the depositing of Cash Collateral into a Cash Collateral account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Bank) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 12.5.

SECTION 14. MISCELLANEOUS

14.1. Consents, Amendments and Waivers.

14.1.1. Amendment. No amendment or waiver of any provision of any Loan Document, and no consent to any departure by any Borrower or any other Obligor therefrom, shall be effective unless in writing signed by Required Lenders and each Borrower or the applicable Obligor, as the case may be, and acknowledged by Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 11.2) without the written consent of such Lender;

(b) postpone or extend any date fixed by or any Loan Document for any payment (including Mandatory Prepayments) of principal, interest, fees or other amounts due to Lenders (or any of them) hereunder or under any other Loan Document or postpone or extend any scheduled Commitment reduction without the written consent of each Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or (subject to clause (ii) of the proviso to this clause (d)) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; provided, however, that only the consent of Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(d) change Section 5.5.2 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(e) change any provision of this Section 14.1 or the definition of "Required Lenders", "Super-Majority Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(f) except as set forth in Section 8.1.4, release all or substantially all of the Collateral or substantially all of the value of the Guaranty, in each case, without the written consent of each Lender;

(g) without the prior written consent of the Super-Majority Lenders, change the definition of the terms "Availability Amount" or "Borrowing Base" or any component definition used therein; or

(h) without the prior written consent of the Super-Majority Lenders, (i) amend, modify or waive any provision of the Underlying Financing Criteria, (ii) amend, modify or supplement Annex I to Appendix 2B to add or remove a Person as an Approved ESCO or to re-designate an Approved ESCO as a "Tier 1", "Tier 2", "Tier 3" or "Tier 4" Approved ESCO, as applicable, or (iii) amend, modify or supplement Annex I to Appendix 2A to add or remove a Person as an Qualified Sponsor;

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent in addition to Lenders required above, affect the rights or duties of Administrative Agent under any Loan Document; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Banks in addition to the Lenders required above, affect the rights or duties of the Issuing Banks under this Agreement or any document relating to any Letter of Credit issued or to be issued by it and (iii) the Engagement Letter and Bank of America Letter Agreement may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

14.1.2. Limitations. The agreement of any Borrower shall not be required for any modification of a Loan Document that deals solely with the rights and duties of Lenders and Administrative Agent as among themselves. Any waiver or consent granted by Administrative Agent or Lenders hereunder shall be effective only if in writing and only for the matter specified.

14.1.3. Payment for Consents. Each Borrower shall not, directly or indirectly, pay any remuneration or other thing of value, whether by way of additional interest, fee or otherwise, to any Lender (in its capacity as a Lender hereunder) as consideration

for agreement by such Lender with any modification of any Loan Documents, unless such remuneration or value is concurrently paid, on the same terms, on a pro rata basis to all Lenders providing their consent.

14.2. Expenses; Indemnity; Damage Waiver.

14.2.1. Borrowers shall indemnify the Indemnitees against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees incurred by any Indemnitee or asserted against any Indemnitee by any Person (including Borrowers and other Obligor) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 5.7), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Obligor or any of its Subsidiaries, or any Environmental Notice related in any way to Borrowers or other Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Obligor, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrowers or any other Obligor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 5.7, this Section 14.2.1 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

14.2.2. To the extent that Borrowers for any reason fail to indefeasibly pay any amount required under Section 3.4 or 14.2.1 to be paid by it to Administrative Agent (or any sub-agent thereof), any Issuing Bank or any of its Related Parties, each Lender severally agrees to pay to Administrative Agent (or any such sub-agent), such Issuing Bank or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the aggregate Outstanding Amount and L/C Obligations at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Administrative Agent (or any such sub-agent) or such Issuing Bank in its capacity as such or against any Related Party acting for Administrative Agent (or any such sub-agent) or such Issuing Bank in connection with such capacity. The obligations of Lenders under this Section 14.2.2 are subject to the provisions of Section 5.1.6.

14.2.3. To the fullest extent permitted by Applicable Law, Borrowers shall not assert, and hereby waive, and acknowledge that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in Section 14.2.1 above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

14.2.4. All amounts due under this Section 14.2 shall be payable not later than ten (10) Business Days after demand therefor.

14.2.5. The agreements in this Section 14.2 and the indemnity provisions herein shall survive the resignation of Administrative Agent, the replacement of any Lender or Issuing Bank, the termination of the aggregate Outstanding Amount, L/C Obligations and Commitments and the repayment, satisfaction or discharge of all the other Obligations.

14.3. Notices and Communications.

14.3.1. Notice Address. All notices and other communications by or to a party hereto shall be in writing and shall be given to any Borrower, at Borrower Agent's physical address or electronic address shown below, and to the Administrative Agent at its physical address or electronic address shown below (and in the case of a Lender, at the physical address or electronic address identified to the Administrative Agent in writing), or at such other address as a party may hereafter specify by notice in accordance with this Section 14.3. Each communication shall be effective only (a) if given by facsimile transmission or electronic mail, when transmitted to the applicable facsimile number or electronic address, if confirmation of receipt is received; (b) if given by mail, three

(3) Business Days after deposit in the U.S. mail, with first-class postage pre-paid, addressed to the applicable address; or (c) if given by Personal delivery, when duly delivered to the notice address with receipt acknowledged. Notwithstanding the foregoing, no notice to Agent pursuant to Sections 2.5, 3.5, 3.7, 3.8, 4.1, 5.2, 5.7, 5.9.1, 10.1.1, 12.2 and 13.3 shall be effective until actually received by the individual to whose attention at Agent such notice is required to be sent. Any written communication that is not sent in conformity with the foregoing provisions shall nevertheless be effective on the date actually received by the noticed party. Any notice received by Borrower Agent shall be deemed received by all Borrowers.

Address for Borrowers: Titan Borrower (HASI) LLC, as Borrower
c/o Hannon Armstrong Capital, LLC
1906 Towne Centre Blvd., Ste. 370
Annapolis, Maryland 21401
Attention:titan-rhea@hannonarmstrong.com

With a copy to

Hannon Armstrong Capital, LLC
1906 Towne Centre Blvd
Suite 370
Annapolis, Maryland 21401
Attention: General Counsel
Facsimile: (410) 571-6199
Email: generalcounsel@hannonarmstrong.com

Agent

Address for Administrative Agent: Bank of America
Mail Code NC1-026-06-03
900 W. Trade Street, Charlotte, NC 28255
Attention: Priscilla L Ruffin

14.3.2. Electronic Communications; Voice Mail. Electronic mail and internet websites may be used for routine communications, such as delivery of Borrower Materials, administrative matters, and distribution of Loan Documents. Administrative Agent, Issuing Banks and Lenders make no assurances as to the privacy and security of electronic communications. Electronic and voice mail may not be used as effective notice under the Loan Documents.

14.3.3. Platform. Borrowers hereby acknowledge that (a) Administrative Agent may, but shall not be obligated to, make available to Lenders and Issuing Banks Borrower Materials by posting Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to Borrowers or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Borrowers hereby agree that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Borrowers shall be deemed to have authorized Administrative Agent, Issuing Banks and Lenders to treat such Borrower Materials as not containing any material non-public information with respect to Borrowers or their securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 14.11); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrowers, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Borrowers', any other Obligor's or Administrative Agent's transmission of Borrower Materials through the Internet; except to the extent that a court of competent jurisdiction by final and nonappealable judgment has determined that such losses, claims, damages, liabilities or expenses arising out of Administrative Agent's transmission of Borrower Materials resulted from the gross negligence or willful misconduct of such Agent Party.

14.3.4. Performance of Borrowers' Obligations. Each Agent may, in its discretion at any time and from time to time, at Borrowers' expense, pay any amount or do any act required of a Borrower under any Loan Documents or otherwise lawfully and reasonably requested by Administrative Agent to (a) enforce any Loan Documents or collect any Obligations; (b) protect, insure, maintain or realize upon any Collateral; or (c) defend or maintain the validity or priority of Collateral Agent's Liens in any Collateral, including any payment of a judgment, insurance premium, warehouse charge, finishing or processing charge, or landlord claim, or

any discharge of a Lien. All payments, costs and expenses (including Extraordinary Expenses) of any Agent under this Section 14.3.4 shall be reimbursed to such Agent by Borrowers on demand, with interest from the date incurred until paid in full, at the Default Rate applicable to Loans. Any payment made or action taken by Agents under this Section 14.3.4 shall be without prejudice to any right to assert an Event of Default or to exercise any other rights or remedies under the Loan Documents.

14.3.5. Credit Inquiries. Administrative Agent and Lenders may (but shall have no obligation) to respond to usual and customary credit inquiries from third parties concerning any Obligor

14.3.6. Non-Conforming Communications. Agents and Lenders may rely upon any communications purportedly given by or on behalf of any Borrower even if they were not made in a manner specified herein, were incomplete or were not confirmed, or if the terms thereof, as understood by the recipient, varied from a later confirmation. Each Borrower shall indemnify and hold harmless each Indemnitee from any liabilities, losses, costs and expenses arising from any electronic or telephonic communication purportedly given by or on behalf of a Borrower.

14.4. Severability. Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under Applicable Law. If any provision is found to be invalid under Applicable Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

14.5. Cumulative Effect; Conflict of Terms. The provisions of the Loan Documents are cumulative. The parties acknowledge that the Loan Documents may use several limitations or measurements to regulate similar matters, and they agree that these are cumulative and that each must be performed as provided. Except as otherwise provided in another Loan Document (by specific reference to the applicable provision of this Agreement), if any provision contained herein is in direct conflict with any provision in another Loan Document, the provision herein shall govern and control.

14.6. Counterparts; Execution. Any Loan Document may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when Administrative Agent has received counterparts bearing the signatures of all parties hereto. Delivery of a signature page of any Loan Document by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of such agreement.

14.7. Electronic Execution of Assignments and Certain Other Documents. The words "execute," "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

14.8. Entire Agreement. Time is of the essence with respect to all Loan Documents and Obligations. The Loan Documents constitute the entire agreement, and supersede all prior understandings and agreements, among the parties relating to the subject matter thereof.

14.9. Relationship with Lenders. The obligations of each Lender hereunder are several, and no Lender shall be responsible for the obligations or Commitments of any other Lender. Amounts payable hereunder to each Lender shall be a separate and independent debt. It shall not be necessary for Administrative Agent or any other Lender to be joined as an additional party in any proceeding for such purposes. Nothing in this Agreement and no action of Administrative Agent, Lenders or any other Secured Party pursuant to the Loan Documents or otherwise shall be deemed to constitute Administrative Agent and any Secured Party to be a partnership, joint venture or similar arrangement, nor to constitute control of any Obligor.

14.10. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated by any Loan Document, Borrowers and each Obligor acknowledge and agree, and acknowledges their respective Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents and Lenders are arm's-length commercial transactions between Borrowers and their respective Affiliates, on the one hand, and the Agents and Lenders, on the other hand, (B) each of Borrowers have consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) Borrowers are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agents and each Lender are and have been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrowers or any of their respective Affiliates, or any other Person and (B) neither the Agents nor any Lender have any obligation to Borrowers or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents and Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrowers and their respective Affiliates, and neither the Agents nor any Lender have any obligation to disclose any of such interests to Borrowers or any of their respective Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims

that it may have against the Agents or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

14.11. Confidentiality. Each of Agents, Issuing Banks and Lenders shall (and each Lender shall require any Participants to which such Lender sells participations to covenant to) maintain the confidentiality of all Information, except that Information may be disclosed (except and to the extent restricted by any letter agreement entered into on the date hereof) (a) to its Affiliates, and to its and their partners, directors, officers, employees, agents, advisors and representatives (provided that such Persons are informed of the confidential nature of the Information and instructed to keep it confidential and disclosure is limited to information necessary for such Agents, Issuing Banks and Lenders to perform obligations and exercise their rights under this Agreement); (b) to the extent requested by any governmental, regulatory or self-regulatory authority purporting to have jurisdiction over it or its Affiliates; (c) to the extent required by Applicable Law or by any subpoena or other legal process; (d) to any other party hereto; (e) in connection with any action or proceeding relating to any Loan Documents or Obligations; (f) subject to an agreement containing provisions substantially the same as this Section 14.11, to any transferee or any actual or prospective party (or its advisors) to any swap, derivative or other transaction under which payments are to be made by reference to an Obligor or an Obligor's obligations; (g) with the consent of Borrower Agent; or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 14.11 or (ii) is available to any Agent, any Issuing Bank, any Lender or any of their Affiliates on a non-confidential basis from a source other than Borrowers. Notwithstanding the foregoing, Administrative Agent, Issuing Banks and Lenders may publish or disseminate general information (but not details concerning individual Underlying Financings) concerning this credit facility for league table, tombstone and advertising purposes, and may use any Borrower's logos, trademarks or product photographs in advertising materials. As used herein, "Information" means all information received from an Obligor or Underlying Borrower or Underlying Obligor or representatives or advisers of any of the foregoing relating to it or its business that is not identified as being Public when delivered. Any Person required to maintain the confidentiality of Information pursuant to this Section 14.11 shall be deemed to have complied if it exercises a degree of care similar to that which it accords its own confidential information. Each of Agents Issuing Banks and Lenders acknowledges that (x) Information may include material non-public information; (y) it has developed compliance procedures regarding the use of material non-public information; and (z) it will handle such material non-public information in accordance with Applicable Law.

14.12. GOVERNING LAW. UNLESS EXPRESSLY PROVIDED IN ANY LOAN DOCUMENT, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ALL CLAIMS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND FEDERAL LAWS RELATING TO NATIONAL BANKS.

14.13. Consent to Forum.

14.13.1. Forum. **EACH BORROWER HEREBY CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT SITTING IN OR WITH JURISDICTION OVER NEW YORK COUNTY, THE STATE OF NEW YORK AND THE SOUTHERN DISTRICT OF NEW YORK IN ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING RELATING IN ANY WAY TO ANY LOAN DOCUMENTS, AND AGREES THAT ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING SHALL BE BROUGHT BY IT SOLELY IN ANY SUCH COURT. EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL CLAIMS, OBJECTIONS AND DEFENSES THAT IT MAY HAVE REGARDING ANY SUCH COURT'S PERSONAL OR SUBJECT MATTER JURISDICTION, VENUE OR INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS. WITHOUT PREJUDICE TO ANY OTHER MODE OF SERVICE, EACH BORROWER IRREVOCABLY APPOINTS CORPORATION SERVICE COMPANY AS ITS AGENT FOR SERVICE OF PROCESS IN THE STATE OF NEW YORK; EACH BORROWER AGREES THAT FAILURE BY ITS AGENT FOR SERVICE OF PROCESS TO NOTIFY SUCH BORROWER OF THE SERVICE OF PROCESS WILL NOT INVALIDATE THE PROCEEDINGS CONCERNED; AND EACH BORROWER CONSENTS TO THE SERVICE OF PROCESS RELATING TO ANY SUCH PROCEEDINGS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO SUCH BORROWER AT ITS ADDRESS SET FORTH HEREIN.** A final judgment in any proceeding of any such court shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or any other manner provided by Applicable Law.

14.13.2. Other Jurisdictions. Nothing herein shall limit the right of Administrative Agent, any Issuing Bank or any Lender to bring proceedings against any Borrower in any other court, nor limit the right of any party to serve process in any other manner permitted by Applicable Law. Nothing in this Agreement shall be deemed to preclude enforcement by Agents of any judgment or order obtained in any forum or jurisdiction.

14.14. Waivers by each Borrower. To the fullest extent permitted by Applicable Law, each Borrower waives (a) the right to trial by jury (which Agents, each Issuing Bank and each Lender hereby also waives) in any proceeding or dispute of any kind relating in any way to any Loan Documents, Obligations or Collateral; (b) presentment, demand, protest, notice of presentment, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any commercial paper, accounts, documents, instruments, chattel paper and guaranties at any time held by any Agent on which any Borrower may in any way be liable, and hereby ratifies anything Agents may do in this regard; (c) notice prior to taking possession or control of any Collateral; (d) any bond or security that might be required by a court prior to allowing Agents to exercise any rights or remedies; (e) the benefit of all valuation, appraisement and exemption laws; (f) any claim against Agents or any Lender, on any theory of liability, for special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) in any way relating to any Enforcement Action, Obligations,

Loan Documents or transactions relating thereto; and (g) notice of acceptance hereof. Each Borrower acknowledges that the foregoing waivers are a material inducement to Administrative Agent, Issuing Banks and Lenders entering into this Agreement and that they are relying upon the foregoing in their dealings with Borrowers. Each Borrower has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial and other rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

14.15. Patriot Act Notice. Each Lender that is subject to the Patriot Act and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrowers that pursuant to the requirements of the Patriot Act , it is required to obtain, verify and record information that identifies Borrowers, which information includes the name and address of Borrowers and other information that will allow such Lender or Administrative Agent, as applicable, to identify Borrowers in accordance with the Patriot Act. Borrowers shall, promptly following a request by Administrative Agent or any Lender, provide all documentation and other information that Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and Anti-Terrorism and Money Laundering Laws, including the Patriot Act.

14.16. Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

14.16.1. Solely to the extent any Lender or Issuing Bank that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or Issuing Bank that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or Issuing Bank that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

14.17. NO ORAL AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

14.18. Lender Acknowledgement. By its execution and delivery hereof, each Lender acknowledges and agrees that they have received a copy of the Approved Bank Side Letter.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date set forth above.

TITAN BORROWER (HASI) LLC, as a Borrower
/s/ Jeffrey W. Eckel

_____

By: Jeffrey W. Eckel
Title: President

TITAN BORROWER (HAT I) LLC, as a Borrower
/s/ Jeffrey W. Eckel

_____

By: Jeffrey W. Eckel
Title: President

TITAN BORROWER (HAT II) LLC, as a Borrower

/s/ Jeffrey W. Eckel

_____

By: Jeffrey W. Eckel
Title: President

AGENT, LENDERS AND ISSUING BANKS:

BANK OF AMERICA, N.A.,
as Administrative Agent
/s/ Priscilla L Ruffin

By: __
Name: Priscilla L Ruffin
Title: Assistant Vice President, Agency Management

BANK OF AMERICA, N.A.,
as a Lender and Issuing Bank
/s/ Claudi C. Welch

By: __
Name: Claudi C. Welch
Title: Director

SUMITOMO MITSUI BANKING CORPORATION,
as a Lender

/s/ Juan Kreutz

By: _____
Name: Juan Kreutz
Title: Managing Director

CIT BANK, N.A., as a Lender
/s/ Edmund Wong

By: _____
Name: Edmund Wong
Title: Vice President

COÖPERATIEVE RABOBANK, U.A., NEW YORK BRANCH, as a Lender

/s/ Gregory T. Hutton
By: _____
Name: Gregory T. Hutton
Title: Managing Director

/s/ Raphael van Veen
By: _____
Name: Raphael van Veen
Title: Vice President

M&T BANK, as a Lender

/s/ Jacob Womble
By: _____
Name: Jacob Womble
Title: Vice President

EXECUTION VERSION

LOAN AGREEMENT (APPROVAL-BASED)
dated as of December 13, 2018

among

RHEA BORROWER (HASI) LLC,

and

RHEA BORROWER (HAT I) LLC,

and

RHEA BORROWER (HAT II) LLC,

as Borrowers,

EACH LENDER PARTY HERETO

BANK OF AMERICA, N.A.,

as Administrative Agent, an Issuing Bank and Coordinating Lead Arranger

NOMURA CORPORATE FUNDING AMERICAS, LLC,

as Joint Lead Arranger and Bookrunner

and

EACH OTHER ISSUING BANK PARTY HERETO

$200,000,000 Senior Secured Credit Facility

ny-1350520

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LOAN AGREEMENT (APPROVAL-BASED)

This LOAN AGREEMENT (APPROVAL-BASED) (this "Agreement") dated as of December 13, 2018 (the "Closing Date"), is entered into by and among RHEA BORROWER (HASI) LLC, a Delaware limited liability company ("Borrower HASI"), RHEA BORROWER (HAT I) LLC, a Delaware limited liability company ("Borrower HAT I"), RHEA BORROWER (HAT II) LLC, a Delaware limited liability company ("Borrower HAT II", and together with Borrower HASI and Borrower HAT I, each a "Borrower" and collectively, the "Borrowers"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender") and Bank of America, N.A., as Administrative Agent (together with its successors and permitted assigns in such capacity, the "Administrative Agent"), and Issuing Bank, and the other Issuing Banks party hereto from time to time.

RECITALS:

WHEREAS, capitalized terms used in these Recitals and not defined shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, Borrowers have requested that Lenders provide a senior secured revolving credit facility in the amount of $200,000,000, and as such facility may be further modified or amended in accordance with the terms herein, the "Loan Facility") to Borrowers to finance certain Approved Financings to be owned and managed by each Borrower, and Lenders are willing to provide the Loan Facility on the terms and conditions set forth in this Agreement;

WHEREAS, in support of Borrowers' obligations under the Loan Facility, Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("HA INC"), a Maryland corporation, Hannon Armstrong Capital, LLC, a Maryland limited liability company ("HA LLC", and together with HA INC, each a "Guarantor" and together the "Guarantors"), have provided a guarantee pursuant to that certain Guaranty, dated as of the date hereof, in form and substance satisfactory to the Administrative Agent (the "Guaranty");

WHEREAS, (i) each Borrower has secured the Obligations under the Loan Facility by granting to Collateral Agent, for the benefit of the Secured Parties, a Lien on their respective assets and Property, and (ii) each Pledgor has secured the Obligations under the Loan Facility by granting to Collateral Agent, for the benefit of the Secured Parties, a Lien on their respective Equity Interests in the Borrowers; and

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; RULES OF CONSTRUCTION

1.1. Definitions. As used herein, the following terms have the meanings set forth below:

"Acceptance" with respect to Approved Financings (G&I), the date on which the State/Local Obligor, U.S. Federal Government Obligor or Institutional Obligor, as applicable, has issued a certificate of acceptance or delivered other written evidence indicating the its acceptance of the energy savings measures provided by the applicable Underlying Borrower.

"Account" as defined in the UCC, including all rights to payment for goods sold or leased, or for services rendered.

"Account Debtor" means a Person obligated under an Account, Chattel Paper or General Intangible.

"Additional Collateral Event" means a request by Borrowers to Administrative Agent to include any Approved Financing not already included in the Borrowing Base in the calculation of the Borrowing Base in accordance with Section 6.2 without a corresponding Advance being made hereunder.

"Adjusted Borrowing Base" means as of any date of determination, an amount equal to the lesser of (a) the BB Aggregate Value as of such date and (b) the Total Commitments then in effect.

"Administrative Agent" has the meaning set forth in the preamble hereto.

"Administrative Agent's Office" means Administrative Agent's address and, as appropriate, account as set forth on Appendix 1, or such other address or account as Administrative Agent may from time to time notify to Borrower Agent and Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit E-3 or any other form approved by Administrative Agent.

"Advance" means the making of a Loan or advance by Lenders to Borrowers under this Agreement.

"Adverse Proceeding" means (a) any pending or, to any Obligor's Knowledge, threatened (in writing) action, suit, proceeding, hearing (in each case, whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Borrower) at law or in equity, or before or by any Governmental Authority, domestic or foreign that: (i) relates to the Eligible Collateral or

to any transaction contemplated by any of the Loan Documents; (ii) relates to the legality, validity or enforceability of any of the Loan Documents; or (iii) any Obligor or, to any Obligor's Knowledge, any other Material Underlying Financing Participant (including any Intellectual Property Claim and Environmental Notice or Environmental Release), that in the case of (i), (ii) or (iii) above, either singly or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect or (b) any Insolvency Proceeding.

"Affiliate" means with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent" means each of (a) Administrative Agent, (b) Collateral Agent, and (c) any other Person appointed under the Loan Documents to serve in an agent or similar capacity.

"Agent Indemnitees" means each Agent and its respective officers, directors, employees, Affiliates, agents and attorneys.

"Agent Parties" has the meaning set forth in Section 14.3.3.

"Agent Professionals" means attorneys, accountants, appraisers, auditors, business valuation experts, engineers or consultants, turnaround consultants, and other professionals and experts retained by an Agent, in each case excluding personnel who are employees of such Agent.

"Aggregate DD Amount" means, with respect to a Delayed Draw Financing, the BB Nominal Value (or, if not the BB Nominal Value, the amount to be agreed between the Administrative Agent and Borrowers) for such Delayed Draw Financing, as such amount is set forth in the Underlying Financing Specification for such Delayed Draw Financing.

"Aggregate Usage" means as of any date of determination, (a) the Outstanding Amount *plus* (b) the aggregate Unfunded Financing Commitment Amount, *plus* (c) the L/C Obligations.

"Agreement" has the meaning set forth in the recitals hereto.

"Amortizing Borrower" means HA Wind I LLC and it successors and permitted assigns under the Amortizing Loan Agreement.

"Amortizing Loan" means the Loan made in connection with the Approved Financing (Amortizing Loan). As of the Effective Date the outstanding principal balance of the Amortizing Loan is $48, 924,549.21.

"Amortizing Loan Borrowing Base" has the meaning set forth in Section 4.3.3.

"Amortizing Loan Agreement" means the Loan Agreement dated September 11, 2018 by and between the Amortizing Borrower, as borrower and Borrower HAT II, as lender.

"Amortizing Loan Payment Date" means, with respect to the Amortizing Loan Agreement, each date under the heading "Payment Date" in Appendix 5.

"Amortizing Loan Target Debt Balance" means, with respect to any Amortizing Loan Payment Date, the amount set forth opposite such date under the heading "Target Debt Balance" in Appendix 5.

"Anti-Bribery and Anti-Corruption Laws" means Applicable Laws and regulations addressing prohibitions against improper payments and bribery of officers, directors, employees, agents and affiliates of Governmental Authorities, business partners or other commercial parties, particularly local laws in effect in the jurisdiction in which the Project operates, including without limitation the Corrupt Practices Laws.

"Anti-Terrorism and Money Laundering Laws" means Applicable Laws and regulations, including, but not limited to, the Anti-Terrorism Order, (a) prohibiting transactions with Persons who (i) commit, threaten to commit, or support terrorism, (ii) engage in transactions or conduct operations that are illegal, nefarious, and/or criminal in nature, and/or (iii) participate in monetary transactions in property derived from specified unlawful activity, or (b) otherwise relating to prohibitions in connection with the illegal laundering of the proceeds of any criminal activity and preventing the funds, proceeds and revenue of any Borrower, any Guarantor and their respective Affiliates from being used in connection with the advancement of criminal activity, including without limitation the Patriot Act and all "know your customer" rules and other applicable regulations.

"Anti-Terrorism Order" means the Patriot Act and Executive Order No. 13,224, 66 Fed. Reg. 49,079 (2001), issued by the President of the United States of America (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism).

"Applicable DD Percentage" means, as of any date with respect to any Delayed Draw Financing, (i) 20%, if the Applicable Valuation Percentage for such Delayed Draw Financing is 66.67% or higher, (ii) if such Applicable Valuation Percentage is less than 66.67%, the percentage amount equal to the sum of (x) 20% plus (y) the amount equal to the difference between 66.67% and the actual Applicable Valuation Percentage for such Delayed Draw Financing or (iii) or such other amounts as Administrative Agent (at the direction of the Required Lenders) and Borrower Agent may mutually agree.

"Applicable Interest Rate" has the meaning set forth in Section 3.1.1(a).

"Applicable Law" means, with respect to any Person all laws, rules, regulations and governmental guidelines applicable to such Person or such Person's, conduct, transaction, agreement or other matter in question, including all applicable statutory law, common law and equitable

principles, and all provisions of constitutions, treaties, statutes, rules, regulations, orders and decrees of applicable Governmental Authorities.

"Applicable L/C Rate" has the meaning set forth in Section 2.4.13.

"Applicable Percentage" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the outstanding Total Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in Section 4.2. If the commitment of each Lender to make Loans and the Issuing Banks to issue Letters of Credit have been terminated pursuant to Section 2.6 or if the outstanding Commitments have expired, then the "Applicable Percentage" of each Lender shall be determined based on the "Applicable Percentage" of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1.1.1 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Valuation Percentage" means as of any date of determination, (a) for the Approved Existing Financing, 85%, (b) for the Approved Financings (Existing Land Assets), 85%, (c) for Approved Financings (Deferred Fee Investments), 85%, (d) for the Approved Financing (Amortizing Loan), 100%, (e) for the Approved Financings (Other Existing Investments), 66.67%, (f) for each Approved Financing (New Investments), 66.67% or such other percentage agreed to by the Borrowers and the Administrative Agent (at the direction of the Super-Majority Lenders) in accordance with Section 7.1.2 and specifically set forth in the Underlying Financing Specification for such Approved Financing (New Investments), (g) for the Collateral consisting entirely of Cash or Cash Equivalents over which the Collateral Agent has a First Priority Lien, 100%, (h) with respect to any Zero Value Approved Financing, 0%, or (i) such other percentage that may be prescribed by Administrative Agent (at the direction of the Required Lenders in their discretion) pursuant to Section 8.1.3 and with respect to the initial valuation, as set forth in the applicable Underlying Financing Specification.

"Approved Additional Collateral Event" means Administrative Agent approval of a Borrowing Base Certificate in connection with an Additional Collateral Event.

"Approved Bank" has the meaning set forth in the Approved Bank Side Letter.

"Approved Bank Side Letter" means that certain letter agreement entered into on the date hereof by and between the Administrative Agent (on behalf of the Secured Parties), the Borrowers and the Guarantors (as supplemented or modified from time to time as mutually agreed by the Administrative Agent (at the direction of the Required Lenders (or all Lenders to the extent Approved Banks are being removed from such list)) and Borrower Agent).

"Approved Existing Financing" means the Approved Financing joined to the Borrowing Base on the Effective Date pursuant to Underlying Financing Specification #17 (as amended).

"Approved Financing" means each (i) Effective Date Approved Financing and (ii) Proposed Nominated Financing that has been approved as an "Approved Financing" pursuant to Section 7.1.2 hereof. For the avoidance of doubt, each Ground Lease approved for financing hereunder that is or becomes part of Underlying Financing Specification #10 (as amended) shall be considered a separate Approved Financing for all purposes hereunder.

"Approved Financing (Amortizing Loan)" means the Approved Financing joined to the Borrowing Base on the Effective Date pursuant to Underlying Financing Specification #23 (as amended).

"Approved Financing (Deferred Fee Investments)" means (i) the Approved Financing (Existing Deferred Fee Investments) and (ii) any Approved Financing (New Investments) satisfying the terms, conditions and criteria set forth on Part V to Exhibit A of the Deferred Fee Investments UFS and joined to the Borrowing Base as Eligible Collateral pursuant to Section 6.2.

"Approved Financing (Existing Deferred Fee Investments)" means the Approved Financing joined to the Borrowing Base on the Effective Date pursuant to the Deferred Fee Investments UFS.

"Approved Financing (Existing Land Assets)" means the Approved Financings joined to the Borrowing Base on the Effective Date pursuant to Underlying Financing Specifications #10 (in each case, as amended).

"Approved Financing (G&I)" any Approved Financing (New Investments) where (i) the Underlying Obligor is a U.S. Federal Government Obligor, a State/Local Obligor or an Institutional Obligor and (ii) such Underlying Obligor is obligated to purchase energy savings derived from "energy conservation measures" constructed or installed by an "energy services company" or other Person.

"Approved Financing (Land Assets)" means (i) the Approved Financing (Existing Land Assets) and (ii) any Approved Financing (New Investments) designated by the Administrative Agent (at the direction of the Super-Majority Lenders) as an "Approved Financing (Land Assets)".

"Approved Financing (Other Existing Investments)" means the Approved Financings joined to the Borrowing Base on the Effective Date pursuant to Underlying Financing Specifications #14 and #21 (in each case, as amended).

"Approved Financing (New Investments)" means each Approved Financing (other than the Effective Date Approved Financings and the Approved Financings (Deferred Fee Investments)) satisfying the Underlying Financing Criteria set forth in Appendix 2 and as approved by the Super Majority Lenders pursuant to Section 7.1.2.

"Approved Subsequent Credit Date" means each Credit Date with respect to an Approved Financing (a) occurring after the first

Advance made by Lenders with respect to such Approved Financing, or (b) occurring after the date on which such Approved Financing was first included in the calculation of Borrowing Base as a result of an Approved Additional Collateral Event following the satisfaction of each of the conditions set forth in Section 6.2.

"Asset Premium" means an amount to be set forth in the Underlying Financing Specification for each Approved Financing and shall be calculated as follows:

(x) for Approved Financings accruing interest at a fixed rate, an amount equal to the greater of (i) 0 and (ii) the amount equal to the Initial Fixed Rate *minus* the Discount Rate set forth in the Underlying Financing Specification that was utilized in determining the BB Adjusted Value of such Approved Financing at the time such loan was added to the Borrowing Base *minus* .25%, and

(y) for Approved Financings accruing interest at a floating rate, an amount equal to the greater of (i) 0 and (ii) the margin that is being charged pursuant to the terms of the applicable Underlying Financing Agreement, and as such percentage is set forth in the Underlying Financing Specification *minus* the Credit Spread set forth in the Underlying Financing Specification that was utilized in determining the BB Adjusted Value of such Approved Financing at the time such loan was added to the Borrowing Base *minus* .25%.

The Administrative Agent and Borrowers agree that the Asset Premium set forth in the applicable Underlying Financing Specification for each Approved Financing will be calculated during the approval process described in Section 7.2 for such Approved Financing and will remain unchanged so long as the Approved Financing remains a part of the Borrowing Base unless the Administrative Agent and the Borrowers mutually agree to re-calculate such "Asset Premium" as a result of any action taken pursuant to Part C of Appendix 4.

"Assignment and Assumption" means an assignment agreement between a Lender and another Lender, in the form of Exhibit E-1 or otherwise satisfactory to Administrative Agent.

"Authorized Officer" means (a) as applied to any Person, any individual holding the position of chairman of the board or similar body (if an officer), chief executive officer, president, vice president (or the equivalent thereof), chief financial officer, chief accounting officer, treasurer, secretary, assistant secretary or any other Person duly authorized to act on behalf of such Person; provided that the authority of such Authorized Officer is supported by an incumbency certificate delivered to Administrative Agent or (b) the chairman of the board, president, chief executive officer, chief financial officer or chief accounting officer of a Borrower or, if the context requires, an Obligor.

"Availability Amount" means as of any date of determination, an amount equal to the Borrowing Base (or, if required by this Agreement, the Adjusted Borrowing Base) minus the Aggregate Usage, as of such date; provided that the Availability Amount shall not exceed the Total Commitments at any time.

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

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A., a national banking association.

"Bank of America Letter Agreement" means the letter between the Administrative Agent, Issuing Bank, Bank of America, as Lender and the Borrowers.

"Bankruptcy Code" means Title 11 of the United States Code.

"Base Rate" means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Administrative Agent as its "prime rate," and (c) the Eurodollar Daily Floating Rate. The "prime rate" is a rate set by Administrative Agent based upon various factors including Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.6 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"BB Adjusted Value" means, as of any date of determination for each Approved Financing (other than the Approved Financing (Amortizing Loan)), an amount equal to the product of (i) the Applicable Valuation Percentage for such Approved Financing at such time, multiplied by (ii) the sum of the Monthly Present Values for such Approved Financing during such Valuation Period at such time; provided that for any Approved Financing that is a Delayed Draw Financing, until all delayed draws have been fully funded, the BB Adjusted Value shall be the lesser of (A) the amount equal to the product of (i) and (ii) of this definition for such Delayed Draw Financing and (B) the BB Nominal Value for such Delayed Draw Financing.

"BB Aggregate Value" means, as of any date of determination, an amount equal to the lesser of (i) the sum of all BB Adjusted Values for all Approved Financings that are Eligible Collateral at such time, and (ii) the sum of all BB Nominal Values for all Approved Financings that are Eligible Collateral at such time.

"BB Nominal Value" means, as of any date of determination for each Approved Financing (other than the Approved Financing (Amortizing Loan)), an amount equal to the product of (x) the Applicable Valuation Percentage for such Approved Financing at such time, multiplied by (y) the Nominal Value of such Approved Financing at such time.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Board of Governors" means the Board of Governors of the Federal Reserve System.

"Borrower" has the meaning set forth in the preamble hereto.

"Borrower Advance Rate" means the amount, not less than zero, equal to 1 *minus* the Applicable Valuation Percentage.

"Borrower Agent" has the meaning set forth in Section 4.4.

"Borrower Allocable Amount" has the meaning set forth in Section 5.10.3(b).

"Borrower Certificate" means a certificate from Borrowers substantially in the form of Exhibit D-2.

"Borrower Collateral Accounts" means the Accounts (as defined in the Depositary Agreement) and such other accounts of Borrower as required from time to time and approved by Administrative Agent and otherwise subject to the Depositary Agreement.

"Borrower HASI" has the meaning set forth in the preamble hereto.

"Borrower HAT I" has the meaning set forth in the preamble hereto.

"Borrower HAT II" has the meaning set forth in the preamble hereto.

"Borrower Materials" means Borrowing Base Certificates, Compliance Certificates, and other information, reports, financial statements and other materials delivered by any Borrower hereunder, as well as other reports and information provided by Administrative Agent to Lenders.

"Borrower Note" means each promissory note, in grid note format, issued by Borrowers to each Lender in the form of Exhibit C-1, as such notes may be amended, restated, supplemented or otherwise modified from time to time.

"Borrowing Base" means as of any date of determination and subject to Section 4.3, an amount equal to the lesser of (a) the sum of (i) the BB Aggregate Value as of such date, (ii) the Amortizing Loan Borrowing Base, (iii) an amount equal to Cash over which the Collateral Agent has a First Priority Lien as of such date (provided that if such date is a Payment Date, the amount of such Cash for purposes of this clause and (iii) shall be the amount remaining after giving effect to any payments of principal, interest and fees required to be made on such date), and (iv) Cash Equivalents over which the Collateral Agent has a First Priority Lien as of such date, and (b) the Total Commitments then in effect.

"Borrowing Base Certificate" means a certificate, duly completed and signed by an Authorized Officer of Borrowers, substantially in the form of Exhibit D-1, or such other form which is acceptable to Administrative Agent in its reasonable discretion.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of New York, and if such day relates to a Loan, any such day on which dealings in Dollar deposits are conducted between banks in the London interbank Eurodollar market.

"Capital Lease" means any lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Cash" means money, currency or a credit balance in any demand or Deposit Account.

"Cash Collateral Account" means a blocked, deposit or investment account containing Cash or Cash Equivalents of one or more of the Borrowers at the Administrative Agent (or another commercial bank reasonably acceptable to the Issuing Bank) in the name of the Collateral Agent and under the sole dominion and control of the Collateral Agent, and otherwise established in a manner reasonably satisfactory to the Collateral Agent.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Banks and the Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations (as the context may require), cash or deposit account balances or, if the Administrative Agent or the Issuing Banks shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the Issuing Banks. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and

other credit support.

"Cash Equivalents" means (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the United States government, maturing within three (3) months of the date of acquisition; (b) certificates of deposit, time deposits and bankers' acceptances maturing within three (3) months of the date of acquisition, and overnight bank deposits, in each case which are (x) issued by Administrative Agent or (y) a commercial bank (other than Administrative Agent) organized under the laws of the United States or any state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody's at the time of acquisition (provided that the aggregate amount of all such deposits, and acceptances held at such other commercial bank shall not at any time exceed $25,000,000 or such other amount as the Administrative Agent and the Borrower Agent may mutually agree), and (unless issued by a Lender) not subject to offset rights; (c) repurchase obligations with a term of not more than thirty (30) days for underlying investments of the types described in clauses (a) and (b) entered into with any bank described in clause (b); (d) commercial paper issued by Administrative Agent or rated A-1 (or better) by S&P or P-1 (or better) by Moody's, and maturing within three (3) months of the date of acquisition; and (e) shares of any money market fund that has substantially all of its assets invested continuously in the types of investments referred to above, has net assets of at least $500,000,000 and has the highest rating obtainable from either Moody's or S&P.

"Cashflow Available for Interest Service" means for any period, the sum of all accrued interest on the Approved Financings that are Eligible Collateral; provided that any accrued interest due and payable that was paid in kind and added to the principal of such Approved Financing during such period shall not be included as interest for purposes of this definition.

"Cash Flows" means, with respect to an Approved Financing for any Monthly Period, the aggregate amount of all Receivables, including all fees, principal and interest, scheduled to be paid by the Underlying Borrower and/or Underlying Obligors to the applicable Borrower during such Monthly Period in respect of the Underlying Financing corresponding to such Approved Financing. For Approved Financings accruing interest at a floating rate of interest, for each Monthly Period, the Cash Flows will consider LIBOR, or if adequate and reasonable means do not exist for determining LIBOR, such other rate as agreed to by the Borrowers and the Administrative Agent, as of the Rate Determination Date plus the margin that is being charged pursuant to the terms of the applicable Underlying Financing Agreement for the calculation of interest payments during each Monthly Period for the duration of the Valuation Period.

"Catch-Up Amount" means, with respect to any Delayed Draw Financing, the amount obtained after applying the following expression:

((Applicable DD Percentage/Borrower Advance Rate)-Applicable DD Percentage)

Multiplied by

Aggregate DD Amount.

"CERCLA" means the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means, unless permitted under Sections 15(b)(ix)(C) and 15(b)(x)(C) of the Guaranty at any time prior to the Maturity Date: (i) HA INC ceases to own and control, beneficially and of record, directly, at least fifty and one-tenth percent (50.1%) of the voting and economic Equity Interests in HA LP; (ii) HA LP ceases to own and control, beneficially and of record, directly, at least fifty and one-tenth percent (50.1%) of the voting and economic Equity Interests in HA LLC; (iii) HA LLC ceases to own and Control, directly or indirectly, beneficially and of record, at least fifty and one-tenth percent (50.1%) of the voting and economic Equity Interests of any of (1) HAT Holdings I or (2) HAT Holdings II, (iv) HA LLC ceases to own and Control, directly or indirectly, beneficially and of record, at least one hundred percent (100%) of the Equity Interests of any of (1) Pledgor HASI or (2) the Land Lease Borrower; (v) HAT Holdings I ceases to hold, own and control, directly or indirectly, beneficially and of record, 100% of the Equity Interests of Pledgor HAT I; (vi) HAT Holdings II ceases to hold, own and control, directly or indirectly, beneficially and of record, 100% of the Equity Interests of Pledgor HAT II; (vii) Pledgor HAT I ceases to hold, own and control, directly, beneficially and of record, 100% of the Equity Interests of Borrower HAT I; (viii) Pledgor HAT II ceases to hold, own and control, directly, beneficially and of record, 100% of the Equity Interests of Borrower HAT II; (ix) Pledgor HASI ceases to hold, own and control, directly, beneficially and of record, 100% of the Equity Interests of Borrower HASI; (x) the sale or transfer of all or substantially all assets of any Guarantor to any other Person (other than a Guarantor); (xi) at any time HA INC ceases to become subject to the reporting requirements of the Exchange Act; or (xii) the capital stock of HA INC is no longer listed on the New York Stock Exchange, American Stock Exchange or NASDAQ.

"Claims" means all claims, liabilities, obligations, losses, damages, penalties, judgments, proceedings, interest, costs and expenses of any kind (including remedial response costs, reasonable and documented, out-of-pocket third-party fees (including attorneys' fees), costs and expenses and Extraordinary Expenses at any time (including after Full Payment of the Obligations or replacement of Administrative Agent or any Lender) incurred by any Indemnitee or asserted against any Indemnitee by any Obligor or other Person, in any way relating to (a) any Loans, Loan Documents, Material Underlying Financing Documents, Borrower Materials, or the use thereof or transactions relating thereto, (b) any action taken or omitted in connection with any Loan Documents or Material Underlying Financing Documents, (c) the existence or

perfection of any Liens, or realization upon any Collateral, (d) exercise of any rights or remedies under any Loan Document or Material Underlying Financing Document or Applicable Law, or (e) failure by any Obligor to perform or observe any terms of any Loan Document or Material Underlying Financing Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Indemnitee is a party thereto.

"COBRA" has the meaning set forth in Section 9.1.29(b).

"Code" means the Internal Revenue Code of 1986.

"Collateral" means all Property described in any Security Documents as security for any Obligations, and all other Property that now or hereafter secures (or is intended to secure) any Obligations pursuant to the terms of any Security Documents.

"Collateral Agent" means The Bank of New York Mellon, and any successor collateral agent under the Depositary Agreement.

"Collateral Assignment" means an instrument by which a Borrower collaterally assigns to the Collateral Agent as security for such Borrower's obligations under an Underlying Financing all of such Borrower's rights in, to and under Underlying Financing Documents and related rights and property with respect to the Approved Financing being financed, in form and substance satisfactory to Administrative Agent, substantially in the form of Exhibit C-2.

"Collateral Release" has the meaning set forth in Section 8.1.4(a).

"Collateral Release Request" has the meaning set forth in Section 8.1.4(a).

"Commercial Operations" means with respect to any Approved Financing (Land Assets), the date on which the solar photovoltaic project related thereto is fully operational, capable of producing power, is interconnected to the grid and has all necessary permits and authorizations to commence selling power.

"Commitment" means, as to each Lender, its obligation to make Loans and purchase participations in L/C Obligations in an aggregate principal amount at any one time outstanding not to exceed the maximum principal amount shown on Schedule 1.1.1 or in an Assignment and Assumption to which it is a party as such amount may be adjusted for such Lender from time to time in accordance with this Agreement, including without limitation, Sections 2.5 and 2.6.

"Commitment Termination Date" has the meaning set forth in Section 2.6.1.

"Compliance Certificate" means a certificate, in the form of Exhibit D-6 and satisfactory to Administrative Agent, by which HA INC certifies compliance with Sections 10.1.1(a), 10.1.1(b), 10.2.22 and Sections 15(b)(v)(A), (B) and (C) of the Guaranty.

"Consent to Collateral Assignment" means an instrument by which an Underlying Borrower and, if such Person's consent is required pursuant to an Underlying Financing Document, any other counterparty to an Underlying Financing Document consents to a Borrower's collateral assignment to Collateral Agent of such Borrower's rights in, to and under Underlying Financing Documents with respect to an Approved Financing in form and substance satisfactory to Administrative Agent and Lenders (a form of which may be attached as Exhibit E-2 at such time as Administrative Agent, Lenders and Borrowers mutually agree upon a form thereof).

"Contingent Obligation" means any obligation of a Person arising from a guaranty, indemnity or other assurance of payment or performance of any Debt (as used in this definition, "primary obligations") of another obligor (as used in this definition, "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guaranty, endorsement, co-making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or-pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase Property or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof. With regard to any Person other than the Guarantors, the amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto. With regard to any Guarantor, the amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such obligation is made which shall not exceed the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith in accordance with GAAP; provided that, for the avoidance of doubt, each Guarantor's obligations under the Titan Agreement shall constitute "Contingent Obligations" with the amount equal to the outstanding loan balance thereunder.

"Contractual Obligation" means as applied to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise." Controlling" and "Controlled" have correlative meanings.

"Corrupt Practices Laws" means (i) the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95 213, §§101 104), as

amended, (ii) the UK Bribery Act 2010, and (iii) any other applicable anti-corruption legislation.

"Credit Date" means for any Loan, the date of an Advance, including each Approved Subsequent Credit Date, and the date any Approved Financing first becomes a part of or joins the Borrowing Base.

"Credit Date Certificate" means a certificate from Borrowers, Guarantors and Pledgors, substantially in the form of Exhibit D-5.

"Credit Date Flow of Funds Memo" means a flow of funds memo executed and delivered on a Credit Date, in form and substance reasonably satisfactory to Administrative Agent.

"Credit Spread" means, for each Approved Financing, as of any Rate Determination Date, the spread found by reference to that certain Credit Spread Index identified in the applicable Underlying Financing Specification (such Credit Spread Index being determined in accordance with the first paragraph of Part C of Appendix 4) (the "Credit Spread Index"), as such Credit Spread Index may be changed from time to time pursuant to the appeal mechanism set forth in Part C of Appendix 4.

"Credit Yield" means, for each Approved Financing, as of any Rate Determination Date, the yield found by reference to that certain Credit Index identified in the applicable Underlying Financing Specification (such Credit Index being determined in accordance with the first paragraph of Part C of Appendix 4) (the "Credit Index"), as such Credit Index may be changed from time to time pursuant to the appeal mechanism set forth in Part C of Appendix 4.

"CWA" means the Clean Water Act (33 U.S.C. §§ 1251 et seq.).

"Day Count" means, for all Approved Financings, for any Monthly Period, a fraction (i) the numerator of which is the actual number of days in such Monthly Period and (ii) the denominator of which is 360.

"Debt" means as applied to any Person, without duplication, (a) all items that would be included as liabilities on its standalone balance sheet in accordance with GAAP, including Capital Leases, but excluding trade payables and other accrued liabilities incurred and being paid in the Ordinary Course of Business, (b) all Contingent Obligations; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; (d) the amount of any net obligations under any Hedge Agreement on any date (which shall be deemed to be the Hedge Termination Value thereof as of such date as reduced by the value of any cash collateral posted against such obligation); and (e) in the case of Borrowers, the Obligations. The Debt of a Person shall include any recourse Debt of any partnership in which such Person is a general partner or joint venture to the extent such Person is liable for such Debt and such Debt is owed to a third party (which is not an Affiliate of HA INC), either directly to such third party or indirectly to such third party through its interest in a partnership or joint venture. Subject to Section 1.2.2, Debt shall not include operating leases.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means an event or condition that, with the lapse of time or giving of notice, would constitute an Event of Default.

"Default Rate" has the meaning set forth in Section 3.1.1(b).

"Defaulting Lender" means subject to Section 4.2.4, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Administrative Agent and Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (ii) fund all or any portion of its participation in an L/C Disbursement or (iii) pay to Administrative Agent, Issuing Bank or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified Borrower Agent, Issuing Bank or Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by Administrative Agent or Borrowers, to confirm in writing to Administrative Agent and Borrower Agent that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Administrative Agent and Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of any Insolvency Proceeding (including under any Debtor Relief Law), (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 4.2.4) as of the date established therefor by Administrative Agent in a written notice of such determination, which shall be delivered by Administrative Agent to Borrower Agent and each other Lender and Issuing Bank promptly following such determination.

"Deferred Fee Investments UFS" means that certain Underlying Financing Specification #24 dated as of December 13, 2018 (as amended, amended and restated, modified or supplemented from time to time).

"Delayed Draw Commitment Amount" means with respect to a Delayed Draw Financing, the total aggregate amount of principal that Lenders have agreed to fund (subject to the terms and condition set forth in this Agreement, including Sections 6.2 and 6.3) in respect of such Delayed Draw Financing, as such amount is set forth in the Underlying Financing Specification for such Delayed Draw Financing.

"Delayed Draw Financing" means any Approved Financing that is Eligible Collateral that is not fully funded at the time of closing but instead allows the Underlying Borrower to withdraw or advance at predefined times during the term of such Underlying Financing; provided that, once fully funded, such financing shall no longer be deemed to be a Delayed Draw Financing, but simply an Approved Financing for all purposes under this Agreement, including for purposes of valuing such financing pursuant to Appendix 4.

"Delinquent U.S. Federal Government Contract" means any contract between a U.S. Federal Government Obligor and an Underlying Borrower (A) with respect to which one or more Receivables are delinquent for a period of sixty (60) days or more and (B) the Administrative Agent has agreed in writing with Borrowers that such delinquency is solely administrative in nature and therefore eligible for the graduated Applicable Valuation Percentage step-downs set forth in the next succeeding sentence. If the Administrative Agent has provided its written consent as provided in the preceding sentence and in accordance with Section 8.1.3, the Applicable Valuation Percentage for any Delinquent U.S. Federal Government Contract shall be equal to (i) 70% for any Delinquent U.S. Federal Government Contract with respect to which one or more Receivables are delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than sixty (60) days following the date on which such Receivable was required to be paid, (ii) 60% for any Delinquent U.S. Federal Government Contract remaining so delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than ninety (90) days following the date on which such Receivable was required to be paid; (iii) 50% for any Delinquent U.S. Federal Government Contract remaining so delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than one-hundred twenty (120) days following the date on which such Receivable was required to be paid and (iv) 0% for any Delinquent U.S. Federal Government Contract remaining so delinquent on the first date on which any calculation of Borrowing Base and Availability Amount is required to be made pursuant to Section 8.1 occurring not less than one-hundred eighty (180) days following the date on which such Receivable was required to be paid.

"Deposit Account" means shall mean a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union, or like financial institution, other than an account evidenced by a negotiable certificate of deposit.

"Depositary Agreement" means that certain Collateral Agency and Depositary Agreement (Approval-Based) dated as of the date hereof (as amended, modified, supplemented from time to time in accordance therewith), between Borrowers, HA INC, the Administrative Agent and Collateral Agent, and Depositary and as Securities Intermediary (each as defined thereunder).

"Designated Jurisdiction" means any country or territory, to the extent that such country or territory itself is the subject of any Sanction (as of the Closing Date, Cuba, Iran, North Korea, Syria and Crimea).

"Deteriorating Credit Condition" means with respect to (a) any Approved Financing (G&I) (including the Underlying Financing), (i) any downgrade of the credit rating of the Underlying Obligor (other than a U.S. Federal Government Obligor) by two or more notches by Moody's or S&P (whether as a result of a single downgrade or multiple downgrades) since the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, (ii) prior to Acceptance, any downgrade of the credit rating of Underlying Borrower or Underlying Borrower Guarantor by two or more notches by Moody's or S&P (whether as a result of a single downgrade or multiple downgrades) since the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, (iii) (A) prior to Acceptance, any expected delay in Acceptance from the scheduled Acceptance date after giving effect to any grace period expressly provided for under the Underlying Financing Agreement and (B) after Acceptance, a material energy savings shortfall during a measurement period, or (iv) an Underlying Material Adverse Effect and (b) any Approved Financing that is not an Approved Financing (G&I), (i) any default under (other than in relation to payments under Ground Leases which are less than ninety (90) days past due) or a termination of any Material Underlying Financing Document set forth in the applicable Underlying Financing Specification that is not cured within the applicable cure period set forth in such Material Underlying Financing Document, (ii) any failure to have provided and maintained all applicable required reserves under any Underlying Financing Document for two (2) consecutive fiscal quarters, (iii) a force majeure event has been asserted under any Underlying Financing Document, and such event continues for more than thirty (30) days, (iv) any downgrade since the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder of the credit rating of the off-taker, if rated, purchasing the energy generated by the Underlying Project which results in (A) a credit rating of less than "BBB-" by S&P (if then rated by S&P), or "Baa3" by Moody's (if then rated by Moody's) (whether as a result of a single downgrade or multiple downgrades) or (B) if such off-taker was rated lower than "BBB-" by S&P (if then rated by S&P) or "Baa3" by Moody's (if then rated by Moody's) on the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, then any downgrade by one notch or more by S&P or Moody's since such date, (v) any downgrade from the initial rating of the Underlying Financing, if rated, which results in (A) a credit rating of less than "BBB-" by S&P (if then rated by S&P), or "Baa3" by Moody's (if then rated by Moody's) (whether as a result of a single downgrade or multiple downgrades) or (B) if such Underlying Financing was rated lower than "BBB-" by S&P (if then rated by S&P) or "Baa3" by Moody's (if then rated by Moody's) on the date on which the applicable Approved Financing was initially financed or became Eligible Collateral hereunder, then any downgrade by one notch or more by S&P or Moody's since such date, or (vi) any Underlying Material Adverse Effect.

"Determination Date" means the date on which the BB Nominal Value and BB Adjusted Value of an Approved Financing are calculated in accordance with Section 8.1.1 of this Agreement.

"Discount Rate" means,

(a) for Approved Financings accruing interest at a fixed rate of interest, for each Monthly Period, the Credit Yield on the Rate Determination Date corresponding to the Weighted Average Life of the Approved Financing (such rate to be found utilizing Part A of Appendix 4);

(b) for Approved Financings accruing interest at a floating rate of interest, for each Monthly Period, the sum of (a) the Credit Spread on the Rate Determination Date (such Rate to be found utilizing Part B of Appendix 4) and (b) LIBOR as of the Rate Determination Date during each Monthly Period for the duration of the Valuation Period.

In the event that the rates identified above are unavailable or cannot be determined as set forth above for any reason, the "Discount Rate" for purposes of this definition shall be determined by reference to the LIBOR Successor Rate, if any, or if not available, such other comparable publicly available rates as may be selected by Administrative Agent in its reasonable discretion.

"Distribution" means any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind); distribution, advance or repayment of Debt to a holder of Equity Interests; or purchase, redemption, or other acquisition or retirement for value of any Equity Interest.

"Dollars" means lawful money of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning set forth in Section 6.1.

"Effective Date Approved Financings" means, collectively, Approved Existing Financing, Approved Financing (Existing Deferred Fee Investments), Approved Financing (Other Existing Investments), Approved Financing (Existing Land Assets) and Approved Financing (Amortizing Loan).

"Effective Date Funds Memo" means a flow of funds memo executed and delivered on the Effective Date, in form and substance satisfactory to Administrative Agent.

"Eligible Collateral" means (a) Approved Financings that are not Excluded Investments, (b) Cash and (c) Cash Equivalents.

"Enforcement Action" means any action to enforce any Obligations or Loan Documents or any Material Underlying Financing Document or to exercise any rights or remedies relating to any Collateral (whether by judicial action, self-help, notification of Account Debtors, exercise of setoff or recoupment, exercise of any right to act in an Obligor's Insolvency Proceeding, credit bid of any Obligations, or otherwise).

"Engagement Letter" means that certain Engagement Letter dated as of September 11, 2018, between Guarantors and Bank of America and providing for, among other things, the payment of certain fees and other amounts, solely to the extent applicable to this Loan Agreement.

"Environmental Claim" means any investigation (excluding routine inspections), notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (c) in connection with any actual or alleged damage, injury, threat or harm to human health, natural resources or the environment.

"Environmental Laws" means all Applicable Laws (including programs, permits and guidance promulgated by regulators), relating to public health (other than occupational safety and health regulated by OSHA) or the protection or pollution of the environment, including CERCLA, RCRA and CWA.

"Environmental Notice" means a notice (whether written or oral) from any Governmental Authority or other Person of any possible noncompliance with, investigation of a possible violation of, litigation relating to, or potential fine or liability under any Environmental Law, or with respect to any Environmental Release, environmental pollution or hazardous materials, including any complaint, summons, citation, order, claim, demand or request for correction, remediation or otherwise.

"Environmental Release" means a release as defined in CERCLA or under any other Environmental Law.

"Equity Interest" means the interest of any (a) shareholder in a corporation; (b) partner in a partnership (whether general, limited, limited liability or joint venture); (c) member in a limited liability company; or (d) other Person having any other form of equity security or ownership interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means (a) any trade or business (whether or not incorporated) under common control with an Obligor within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code); and (b) each Guarantor and any of its successors or assigns.

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Obligor or ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Obligor or ERISA Affiliate from a Multiemployer Plan; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) the determination that any Pension Plan or Multiemployer Plan is considered an at risk plan or a plan in critical or endangered status under the Code or ERISA; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Obligor or ERISA Affiliate.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Eurodollar Daily Floating Rate" means, for all Eurodollar Rate Loans, on each day any such Loan is outstanding, the fluctuating rate of interest equal to LIBOR, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (London time), two (2) Business Days prior to the date in question, for Dollar deposits with a term equivalent to a one month interest period beginning on that date; provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, including under Section 3.6.1, the approved rate shall be applied in a manner consistent with market practice and provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and if the Eurodollar Daily Floating Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate" means (a) with respect to a Loan made on a date other than a Scheduled Calculation Date, the Eurodollar Daily Floating Rate, (b) with respect to a Loan outstanding on a Scheduled Calculation Date, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to the Interest Period commencing on such Scheduled Calculation Date) ("LIBOR") as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (London time), two (2) Business Days prior to the commencement of such Interest Period (the "LIBOR Screen Rate"), for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, and (c) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; provided, if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on the definition of Eurodollar Rate.

"Event of Default" has the meaning set forth in Section 11.1.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Investment" means an Approved Financing which does not meet the criteria for inclusion in the Borrowing Base, including, without limiting the foregoing, any Approved Financing: (i) which is not owned by a Borrower or Land Lease Borrower; or (ii) which is not subject to a First Priority Lien.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), revenues, property holdings, intangibles or capital base, franchise Taxes, and branch profits Taxes, in each case that are (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to the applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by a Borrower under Section 5.9.2) or (ii) such Lender changes its Lending Office (other than pursuant to Section 5.9.1), except in each case to the extent that, pursuant to Section 5.7.1 or Section 5.7.3, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.8 and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Extraordinary Expenses" means all reasonable and documented, out-of-pocket, fees, costs, expenses or advances that each Agent, Lender or Issuing Bank may incur during a Default or Event of Default, or during the pendency of an Insolvency Proceeding of an Obligor, including those relating to (a) any audit, inspection, repossession, storage, repair, appraisal, insurance, manufacture, preparation or advertising

for sale, sale, collection, or other preservation of or realization upon any Collateral; (b) any action, arbitration or other proceeding (whether instituted by or against an Agent, any Lender, any Obligor, any representative of creditors of an Obligor or any other Person) in any way relating to any Collateral (including the validity, perfection, priority or avoidability of Administrative Agent's Liens with respect to any Collateral), Loan Documents, Material Underlying Financing Documents or Obligations, including any lender liability or other Claims (provided that such fees, costs, expenses or advances shall not be reimbursable, as to any Indemnitee, to the extent that such fees, costs, expenses or advances result from a claim brought by any Borrower or any other Obligor against an Indemnitee for lender liability or other similar Claim in connection with the Loan Documents or if such fees, costs, expenses or advances result from the gross negligence or willful misconduct of such Indemnitee, in each case, if Borrowers or any other Obligor has obtained a final and nonappealable judgment in its favor against such Indemnitee on such claim as determined by a court of competent jurisdiction); (c) the exercise of any rights or remedies of any Agent, Lender or Issuing Bank in, or the monitoring of, any Insolvency Proceeding of an Obligor or any of its Affiliates; (d) settlement or satisfaction of Taxes, charges or Liens with respect to any Collateral; (e) any Enforcement Action; and (f) negotiation and documentation of any modification, waiver, workout, restructuring or forbearance with respect to any Loan Documents, Material Underlying Financing Documents or Obligations. Such costs, expenses and advances include transfer fees, Other Taxes, storage fees, insurance costs, permit fees, utility reservation and standby fees, legal fees, appraisal fees, brokers' and auctioneers' fees and commissions, accountants' fees, environmental study fees, wages and salaries paid to employees of any Obligor or independent contractors in liquidating any Collateral, and travel expenses.

"Fair Salable Value" means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471 (b) (1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Rate" means for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Administrative Agent on such day on such transactions as determined by Administrative Agent.

"Fee Letters" means collectively, (i) the fee letters of even date herewith between the Borrowers and the applicable Lenders and (ii) the Bank of America Letter Agreement.

"Financial Officer" means as applied to any Person, any individual holding the position of chief financial officer, chief accounting officer or treasurer.

"Financial Officer Certification" means with respect to the financial statements for which such certification is required, the certification of a Financial Officer of any Person that such financial statements fairly present, in all material respects, the financial condition of such Person and its subsidiaries (if any) as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments; provided that for purposes of Section 10.1.1(a)(i) and Section 10.1.1(b)(i) to the extent satisfied pursuant to the terms herein as a result of the applicable 10-K or 10-Q filing, the certification by an appropriate Financial Officer in such publicly filed SEC documents shall be deemed a satisfactory "Financial Officer Certification".

"First Priority Lien" means with respect to any Lien purported to be created in any Collateral pursuant to any Security Document, that such Lien is senior in priority to any other Lien to which such Collateral is subject, other than any Permitted Lien that is, pursuant to Applicable Law, senior to the Lien created pursuant to any Security Document.

"Fiscal Quarter" means each period of three (3) months, commencing on the first day of a Fiscal Year.

"Fiscal Year" means the fiscal year of HA INC for accounting and Tax purposes, ending on December 31 of each year.

"FLSA" means the Fair Labor Standards Act of 1938.

"Foreign Asset Control Regulations" has the meaning set forth in Section 9.1.21.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Fraudulent Transfer Laws" has the meaning set forth in Section 5.11.

"Fronting Exposure" means, at any time there is a Defaulting Lender, with respect to any Issuing Bank, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Full Payment" means, with respect to any Obligation, the full and indefeasible cash payment thereof (other than contingent obligations as to which no claims have been made), including any interest, fees and other charges accruing during an Insolvency Proceeding (whether or

not allowed in the proceeding), and the expiration or termination of all Letters of Credit, as evidenced by execution and delivery of the parties thereto of a Payoff Letter. No Loans shall be deemed to have been paid in full unless all Commitments have expired or terminated.

"Funding Default" has the meaning set forth in Section 5.9.4.

"GAAP" means generally accepted accounting principles in effect in the United States from time to time; provided, however, that as it relates to all financial statements of any Obligor besides HA INC, references to GAAP do not require footnotes and certain required statements (including statements of cash flow and equity) and that consolidation and year-end entries are made at the consolidated group level and not at the individual company level).

"Governmental Approvals" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and required reports to, all Governmental Authorities.

"Governmental Authority" means any federal, state, local, foreign or other agency, authority, body, commission, court, instrumentality, political subdivision, central bank, or other entity or officer exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions for any governmental, judicial, investigative, regulatory or self-regulatory authority (including any supra-national bodies such as the European Union or the European Central Bank).

"Governmental Judgment" means with respect to any Person, any judgment, order, decision, or decree, or any action of a similar nature, of or by a Governmental Authority having jurisdiction over such Person or any of its properties.

"Ground Lease" means with respect to an Approved Financing (Land Assets), the ground lease, pursuant to which real property owned by a Land Lease Entity is leased to the tenant/lessee thereunder for the construction, development and operation of a solar photovoltaic project.

"Guarantor" has the meaning set forth in the recitals hereto.

"Guarantor Certificate" means a certificate from Guarantors substantially in the form of Exhibit D-3.

"Guarantor Payment" has the meaning set forth in Section 5.10.3(b).

"Guaranty" has the meaning set forth in the recitals hereto.

"HA INC" has the meaning set forth in the recitals hereto.

"HA LLC" means Hannon Armstrong Capital, LLC.

"HA LP" means Hannon Armstrong Sustainable Infrastructure, LP.

"HAT Holdings I" means HAT Holdings I LLC, a Maryland limited liability company.

"HAT Holdings II" HAT Holdings II LLC, a Maryland limited liability company.

"Hazardous Materials" means any hazardous or toxic substances, chemicals, materials, pollutants or wastes defined, classified or regulated as such in or under any Environmental Laws, including (a) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law and (b) any other chemical, material or substance, the import, storage, transport, use or disposal of, or exposure to or Release of which is prohibited, limited or otherwise regulated under, or for which liability is imposed pursuant to, any Environmental Law.

"Hazardous Materials Activity" means any past or current activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Environmental Release, threatened (in writing) Environmental Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"Hedge Agreement" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (as used in this definition, any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Hedge Termination Value" means, as to any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedge Agreements, as determined based upon one or more mid-market or other readily available quotations using mid-market pricing provided by any recognized dealer in such Hedge

Agreements.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Impacted Loans" has the meaning set forth in Section 3.6.1(a).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or relating to any payment of an Obligation, and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Indemnitees" means Agent Indemnitees, Issuing Bank Indemnitees and Lender Indemnitees.

"Independent Appraiser" means an independent third party appraiser acceptable to Administrative Agent and Borrower Agent.

"Independent Manager" means an independent manager acceptable to Administrative Agent and Required Lenders.

"Information" has the meaning set forth in Section 14.11.

"Initial Borrowing Base Certificate" has the meaning set forth in Section 5.2.1(a)(i).

"Initial Borrower Required Amount" has the meaning set forth in Section 6.2.16.

"Initial Cure Period" has the meaning set forth in Section 11.1.5.

"Initial Fixed Rate" means the rate of interest that is being charged pursuant to the terms of the applicable Underlying Financing Agreement or as otherwise agreed pursuant to the terms of the applicable Underlying Financing Agreement.

"Insolvency Proceeding" means any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order or filing of a petition for relief under any Debtor Relief Law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property; (c) an assignment or trust mortgage for the benefit of creditors of such Person; (d) application or petition for dissolution of such Person; or (e) the sale or transfer of all or any material part of the assets of such Person or the cessation of the business of such Person as a going concern.

"Institutional Obligor" means an entity that (i) is (A) a public or private university, college or school (and any system or district thereof), or (B) a hospital, health care system or other health services-related entity, and (ii) (A) is rated by S&P or Moody's (or both) and has a credit rating of at least "BBB" by S&P (if then rated by S&P), or "Baa2" by Moody's (if then rated by Moody's) or (B) if not rated by either S&P or Moody's, has a rating that was calculated using Moody's RiskCalc or Q-Rate credit rating software and such rating is at least equal to "Baa2".

"Insurance Requirements" means that certain insurance required pursuant to Section 10.1.10.

"Intellectual Property" means all intellectual property of a Person, including inventions, designs, patents, copyrights, trademarks, service marks, trade names, trade secrets, confidential or proprietary information, customer lists, know-how, software and databases; all embodiments or fixations thereof and all related documentation, applications, registrations and franchises; all licenses or other rights to use any of the foregoing; and all books and records relating to the foregoing.

"Intellectual Property Claim" means any claim or assertion (whether in writing, by suit or otherwise) that a Borrower's ownership, use, marketing, sale or distribution of any Intellectual Property violates another Person's Intellectual Property.

"Intercompany Assignment Agreement" means with respect to an Approved Financing, a transfer instrument substantially in the form of Exhibit D-9, by and between the Origination Company, as transferor and the applicable Borrower, as transferee, pursuant to which such Origination Company transfers all of its right, title and interest in and to such Approved Financing to such Borrower.

"Interest Coverage Calculation Period" means, with respect to a Payment Date Borrowing Base Certificate, the period commensurate with the one month Interest Period just ended; provided that the first Interest Coverage Calculation Period shall be the period beginning on the Closing Date and ending on the first Scheduled Calculation Date after the Closing Date.

"Interest Period" means with respect to any Loan, the period commencing on the date such Loan was made until the next Scheduled Calculation Date and thereafter, the one month interest period beginning on the day after such Scheduled Calculation Date and ending on the next Scheduled Calculation Date; provided that (x) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day and (y) no Interest Period shall extend beyond the Maturity Date.

"Interest Service Coverage Ratio" means for any period (a) Cashflow Available for Interest Service for such period, divided by (b) all interest accrued by Borrowers on the Outstanding Amount during such period.

"Interest Service Coverage Ratio Threshold" shall mean, for any period, as of any date of determination, the ratio obtained by dividing 1 / (the average Applicable Valuation Percentage weighted by the Nominal Value of each of the Approved Financings part of the Borrowing Base as of such date).

"Investment" means an acquisition of record or beneficial ownership of any Equity Interests of a Person, or an advance or capital contribution to or other investment in a Person.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuing Bank" means Bank of America, in its capacity as issuer of Letters of Credit hereunder, and each other Lender (if any) from time to time as mutually agreed between Borrowers and such other Lender.

"Issuing Bank Indemnitees" means each Issuing Bank and its officers, directors, employees, Affiliates, agents and attorneys.

"Knowledge" means when used in reference to any (i) Obligor, (x) the actual knowledge of the officers and employees of each of the Obligors and their Subsidiaries (collectively) whose duties require them to have responsibility for the matter in question, and (y) any knowledge that should have been obtained by any such officers and employees as a result of the reasonable exercise or discharge by such officer or employee of his/her duties or responsibilities in the ordinary course; and (ii) any other Person, the actual knowledge of any such Person or any knowledge that should have been obtained by such Person as a result of the reasonable exercise of a discharge by such Person of his/her duties or responsibilities in the ordinary course (and the words "Know" and "Known" shall be construed accordingly).

"Land Lease Borrower" means HA Land Lease I LLC, a Delaware limited liability company, and its permitted successors and assigns under the Land Lease Loan Agreement.

"Land Lease Entity" means with respect to each Approved Financing (Land Assets), the wholly owned subsidiary of the Land Lease Borrower that is party to the Ground Lease related to such Approved Financing (Land Assets).

"Land Lease Loan" means the "Loan" as defined in the Land Lease Loan Agreement.

"Land Lease Loan Agreement" means the Loan Agreement, dated as of the May 29, 2014 by and between the Land Lease Borrower and Borrower HASI (as amended, modified or supplemented from time to time).

"L/C Advance" has the meaning set forth in Section 2.4.8.

"L/C Commitment" means, with respect to the applicable Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of the Issuing Bank's Letter of Credit Commitment is set forth on Schedule 1.1.1, or if an Issuing Bank has entered into an Assignment and Assumption or has otherwise assumed a Letter of Credit Commitment after the Closing Date, the amount set forth for such Issuing Bank as its Letter of Credit Commitment in the Register maintained by the Administrative Agent. The L/C Commitment of an Issuing Bank may be modified from time to time by agreement between such Issuing Bank and the Borrower, and notified to the Administrative Agent.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"L/C Documents" means, as to any Letter of Credit, each Letter of Credit Application and any other document, agreement and instrument entered into by any Borrower with or in favor of the applicable Issuing Bank and relating to such Letter of Credit.

"L/C Obligations" means, at any time, the sum of (a) the aggregate amount available to be drawn under all outstanding Letters of Credit at such time, plus (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into L/C Advances by or on behalf of Borrower at such time. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.5. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"L/C Sublimit" means $15,000,000. The L/C Sublimit is part of, and not in addition to, the Loan Facility.

"Lender" or "Lenders" has the meaning set forth in the preamble hereto, and shall, for the avoidance of doubt, include any other Person who hereafter becomes a "Lender" pursuant to an Assignment and Assumption.

"Letter of Credit" means any irrevocable standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Issuing Bank.

"Letter of Credit Fee" has the meaning set forth in Section 2.4.13.

"Lender Indemnitees" means Lenders and their officers, directors, employees, Affiliates, agents and attorneys.

"Lending Office" means the office designated as such by the applicable Lender at the time it becomes party to this Agreement or thereafter by notice to Administrative Agent and Borrower Agent.

"LIBOR" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Screen Rate" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Successor Rate" has the meaning set forth in Section 3.6.1.

"LIBOR Successor Rate Conforming Changes" has the meaning set forth in Section 3.6.1.

"License" means any license or agreement under which an Obligor is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of Property or any other conduct of its business.

"Lien" means a Person's interest in Property securing an obligation owed to, or a claim by, such Person, including any lien, security interest, pledge, hypothecation, assignment, trust, reservation, encroachment, easement, right-of-way, covenant, condition, restriction, leases, or other title exception or encumbrance.

"Loan" has the meaning set forth in Section 2.1.1. For the avoidance of doubt, "Loan" shall include any L/C Advance.

"Loan Documents" means this Agreement, L/C Documents, Other Agreements and Security Documents.

"Loan Facility" has the meaning set forth in the recitals hereto.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

"Mandatory Prepayment" means any prepayment required pursuant to the terms of Section 5.2.1.

"Margin" means (a) with respect to each Loan in connection with an Approved Financing (other than the Approved Financing (Amortizing Loan)), 2.00% if such Loan is a Eurodollar Rate Loan or 1.00% if such Loan is a Base Rate Loan, (b) with respect to the Amortizing Loan, 1.50% if such Loan is Eurodollar Rate Loan or 0.50% if such Amortizing Loan is a Base Rate Loan, or (c) with respect to each Loan made pursuant to Section 2.4.8 in relation to any L/C Disbursement, 1.75% if such Loan is a Eurodollar Rate Loan or 0.75% if such Loan is a Base Rate Loan.

"Margin Stock" has the meaning set forth in Regulation U of the Board of Governors.

"Market Disruption" means the occurrence of a substantial impairment of the financial markets generally that is reasonably likely to materially and adversely affect Lenders' ability to make a requested Commitment available for an Underlying Financing as determined by Administrative Agent in its sole discretion.

"Material Adverse Effect" means the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, has or could be reasonably expected to have a material adverse effect (a)(i) on the business, operations, Properties or condition (financial or otherwise) of any Borrower or Guarantor, in the case of a Guarantor, taken as a whole together with its subsidiaries, (ii) on the value of the Collateral, (iii) on the enforceability of any Loan Document, or (iv) on the validity or priority of Administrative Agent's Liens on any Collateral; (b) on the ability of an Obligor to perform its obligations under the Loan Documents, including repayment of any Obligations; or (c) on the ability of Administrative Agent or any Lender to enforce or collect in any Obligation or to realize upon the Collateral (taken as a whole).

"Material Underlying Financing Document" means with respect to any Approved Financing, each document designated by the Administrative Agent as a "Material Underlying Financing Document" in *Part IV* to *Exhibit A* to the applicable Underlying Financing Specification and such other Underlying Financing Documents that (i) were entered into after the date such Approved Financing joined the Borrowing Base and (ii) the Administrative Agent and Borrowers agree are material.

"Material Underlying Financing Participant" means with respect to any Approved Financing, each Person listed in *Part III* to *Exhibit A* to the applicable Underlying Financing Specification and each other Person that (i) is or becomes a party to a Material Underlying Financing Document after the date hereof and (ii) the Administrative Agent and Borrowers agree is material. Each Underlying Borrower and Underlying Obligor shall be a "Material Underlying Financing Participant" whether or not such Person is identified as such in *Part III* to *Exhibit A* to the applicable Underlying Financing Specification.

"Maturity Date" means the earlier of (x) July 19, 2023 and (y) such other date on which the final payment of the principal amount of all Loans becomes due and payable as herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

"Maximum Rate" means has the meaning set forth in Section 3.9.

"Midpoint Valuation" means with respect to the calculation of the adjusted Borrowing Base under Section 8.1.3(c), the amount equal to the lesser of (x) the midpoint of: Borrowers' valuation amount, Administrative Agent's valuation amount and the Independent Appraiser's valuation amount and (y) the Nominal Value for the applicable Approved Financing.

"Minimum Collateral Amount" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an

amount equal to 103% of the Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Administrative Agent and Issuing Bank in their sole discretion.

"Modeled Ground Lease Rents" means as of any date of determination with respect to an Approved Financing (Land Assets), the scheduled Ground Lease rent payments used to size the Land Lease Loan, which rent payments have been reduced to account for estimated property taxes payable by the applicable Land Lease Entity pursuant to the terms of the applicable Ground Lease.

"Moody's" means Moody's Investors Service, Inc.

"Monthly Discount Factor" means, for each Monthly Period an amount equal to the Monthly Discount Factor of the prior Monthly Period divided by the following: (1 + (Discount Rate for the Monthly Period + Asset Premium)*Day Count).

The Administrative Agent and Borrowers agree that the Monthly Discount Factor for the first Monthly Period will equal:

1 / (1 + (Discount Rate for the Monthly Period + Asset Premium)*Day Count).

"Monthly Period" each period beginning on the tenth (10^{th}) day of each fiscal month occurring during a Valuation Period and ending on the 9^{th} of the following fiscal month; provided that if the Determination Date is not the tenth (10^{th}) day of a given fiscal month, the first "Monthly Period" shall begin on such Determination Date and end on the ninth (9^{th}) day of the following fiscal month in which such Determination Date occurs; provided further that the last Monthly Period shall begin on the tenth (10^{th}) day of the fiscal month in which the Valuation Maturity Date occurs and end on such Valuation Maturity Date.

"Monthly Present Value" for each Monthly Period, an amount equal to the product of (x) the Cash Flows during such Monthly Period, multiplied by (y) the Monthly Discount Factor.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Obligor or ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Proceeds" means proceeds (including, when received, any deferred or escrowed payments) received by a Borrower in cash from any disposition, net of (a) reasonable and customary costs and expenses actually incurred in connection therewith, including legal fees and sales commissions; and (b) transfer or similar taxes.

"New Lender" has the meaning set forth in Section 2.5.2.

"Nominal Value" means, as of any date of determination for any Valuation Period, with respect to an Approved Financing that is Eligible Collateral, the lesser of, (1) the Par Amount as in effect as of such determination date and (2) the value obtained by reference to clause (I), (II) or (III) of this definition, as applicable: with respect to such Approved Financing (I) that accrues interest at a fixed rate of interest, the sum of the Monthly Present Values for such Approved Financing during such Valuation Period provided that for purposes of determining the Monthly Present Values of such Approved Financing, (a) the Discount Rate shall be an amount equal to the Initial Fixed Rate on such loan and (b) the Asset Premium shall be an amount equal to 0, (II) that accrues interest at a floating rate of interest, the sum of the Monthly Present Values for such Approved Financing during such Valuation Period provided that for purposes of determining the Monthly Present Values of such Approved Financing the Discount Rate shall be LIBOR plus the margin that is being charged pursuant to the terms of the applicable Underlying Financing Agreement and (III) that is a Delayed Draw Financing an amount equal to the total aggregate principal amount actually funded by the applicable Borrower plus any remaining principal amount that the applicable Borrower has committed to fund, in each case, in respect of each such Delayed Draw Financing.

"Nominated Financing" means a prospective Underlying Financing proposed to be purchased by the applicable Borrower with the proceeds of one or more Advances and described in the Underlying Financing Specification submitted with the applicable Proposal Package.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or affected Lenders in accordance with the terms of Section 14.1 and (ii) has been approved by Required Lenders.

"Non-Defaulting Lender" means at any time, each Lender or Issuing Bank that is not a Defaulting Lender at such time.

"Non-Recourse Debt" means Debt of any Subsidiary of a Guarantor (other than HA LLC and HA LP) in the nature of a Hedge Agreement, capital lease or secured loan and with respect to which the creditor has recourse only to such Subsidiary that is the obligor thereof, any Person that is the sole owner of such obligor (unless such owner is a Guarantor) or the collateral which secured such Debt, and has no recourse (including by virtue of a Lien or Guarantee (as defined in the Guaranty)) to any of the Guarantors, or such debt that is otherwise classified as "non-recourse" debt (including any "non-recourse" debt of HA LLC to the extent so classified therein) in the HA INC financial statements delivered to the Administrative Agent in accordance with Section 10.1.1(a)(i) or (b)(i) of the Guaranty, as applicable.

"Notice of Borrowing" means a notice submitted by Borrower Agent in order to request an Advance substantially in the form of Exhibit A.

"Notice of Assignment" means a notice to an Underlying Borrower or an Underlying Obligor by which such Person is given notice of an Origination Company's assignment or a Land Lease Entity's assignment, as applicable, of such Person's rights in, to and under Underlying Financing Documents with respect to an Approved Financing pursuant to an Underlying Financing Agreement, in form and substance satisfactory to Administrative Agent and Lenders (a form of which may be attached as Exhibit B-2 at such time as Administrative Agent,

Lenders and Borrowers mutually agree upon a form thereof).

"Notice of Collateral Assignment" means a notice to an Underlying Borrower or an Underlying Obligor, as applicable, by which such Underlying Borrower or Underlying Obligor, as applicable, is given notice of a Borrower's collateral assignment to the Collateral Agent of the Borrower's rights in, to and under Underlying Financing Documents with respect to an Approved Financing pursuant to a Collateral Assignment and which includes payment instructions in respect of any amounts paid to or for the benefit of such Underlying Borrower or such Underlying Obligor, as applicable under such Underlying Financing Documents, in form and substance satisfactory to Administrative Agent and Lenders (a form of which may be attached as Exhibit B-1 at such time as Administrative Agent, Lenders and Borrowers mutually agree upon a form thereof).

"Obligations" means all (a) principal of and premium, if any, on the Loans or any L/C Credit Extension, (b) interest, expenses, fees, indemnification obligations, Extraordinary Expenses and other amounts payable by Obligors under Loan Documents, including any Letter of Credit and (c) other Debts, obligations and liabilities of any kind, in each case, owing by Obligors pursuant to the Loan Documents, whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any Insolvency Proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several.

"Obligor" means each Borrower, each Pledgor and each Guarantor.

"OFAC" means Office of Foreign Assets Control of the U.S. Treasury Department.

"Ordinary Course of Business" means with respect to each Obligor, the ordinary course of business of such Obligor, undertaken in good faith and consistent with Applicable Law and past practices.

"Organizational Documents" means with respect to any Person, its charter, certificate or articles of incorporation, bylaws, articles of organization, limited liability agreement, operating agreement, members agreement, shareholders agreement, partnership agreement, certificate of partnership, certificate of formation, voting trust agreement, or similar agreement or instrument governing the formation or operation of such Person.

"Origination Company" means with respect to an Underlying Financing, any Affiliate (other than a Borrower) of HA INC which is the original purchaser, lender or financing party and counterparty under the applicable Underlying Financing Documents and the direct or indirect seller of such Underlying Financing Documents and Approved Financing to the applicable Borrower.

"OSHA" means the Occupational Safety and Hazard Act of 1970.

"Other Agreement" means the Engagement Letter, the Guaranty, Borrowing Base Certificate, each Compliance Certificate, each Intercompany Assignment Agreement, each Fee Letter, the Approved Bank Side Letter or other note, instrument or agreement (other than this Agreement or a Security Document) now or hereafter delivered by an Obligor or other Person by or on behalf of such Obligor to Administrative Agent or a Lender in connection with the other Loan Documents.

"Other Connection Taxes" means Taxes imposed on a Recipient due to a present or former connection between it and the taxing jurisdiction (other than connections arising from the Recipient having executed, delivered, become party to, performed obligations or received payments under, received or perfected a Lien or engaged in any other transaction pursuant to, enforced, or sold or assigned an interest in, any Loan or Loan Document).

"Other Material Underlying Event" means any of the following events with respect to an Approved Financing: (i) an Adverse Proceeding shall exist or shall have occurred in respect of any Material Underlying Financing Participant; (ii) the Underlying Borrower or following Acceptance (if the Approved Financing is an Approved Financing (G&I)), Underlying Obligors (unless the Underlying Borrower retains the obligation to insure) have failed to comply with the insurance requirements provided in the Material Underlying Financing Documents or such insurance is not in full force and effect; (iii) the execution, delivery and performance of the Material Underlying Financing Documents by the parties thereto violates in any material respect any provision of any Applicable Law; (iv) a Material Underlying Financing Participant is an individual or entity currently the subject of any Sanctions, or a Material Underlying Financing Participant, is located, organized or resident in a Designated Jurisdiction; (v) an Underlying Borrower or an Underlying Obligor thereof is in violation in any material respect of the Anti-Terrorism and Money Laundering Laws applicable to it; (vi) an Underling Borrower or an Underlying Obligor or any Subsidiary of any Underlying Borrower or Underlying Obligor is an individual or entity currently the subject of any Sanctions, or the Underlying Borrower or Underlying Obligor or any Subsidiary of an Underlying Borrower or Underlying Obligor is located, organized or resident in a Designated Jurisdiction; or (vii) a Material Underlying Financing Participant, or any Person that Controls a Material Underlying Financing Participant is in violation in any material respects of any Anti-Terrorism and Money Laundering Laws applicable to it.

"Other Watched Loan Event" means with respect to an Approved Financing, any event, circumstance, condition, default or breach explicitly identified in the Underlying Financing Specification for such Approved Financing (at the request of the Super-Majority Lenders following their review and diligence of such Approved Financing pursuant to Section 7.1.2) as an event, circumstance, condition, default or breach, the occurrence of which, or failure to occur, as the case may be, would result in such Approved Financing being designated as a Watched Loan.

"Other Taxes" means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a Lien under, or otherwise with respect to, any Loan Document, except Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 5.9.2).

"Other Zero Value Event" means with respect to an Approved Financing, any event, circumstance, condition, default or breach explicitly identified in the Underlying Financing Specification for such Approved Financing (at the request of the Super-Majority Lenders following their review and diligence of such Approved Financing pursuant to Section 7.1.2) as an event, circumstance, condition, default or breach, the occurrence of which, or failure to occur, as the case may be, would result in such Approved Financing being designated as a Zero Value Approved Financing.

"Outstanding Amount" means the aggregate outstanding principal amount of Loans, including L/C Advances, extended by Lenders after giving effect to any borrowings and prepayments or repayments of Loans.

"Par Amount" means, with respect to an Approved Financing as of any date of determination, the scheduled par amount or value that would be payable as of such date of determination under the terms of the applicable Underlying Financing Agreement.

"Participant" has the meaning set forth in Section 13.2.1.

"Participant Register" means has the meaning specified in Section 13.2.2.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

"Paying Agent" means The Bank of New York Mellon.

"Paying Agency Agreement" means a paying agency agreement among HA INC, HA LLC, the Paying Agent, the Administrative Agent and the Collateral Agent in form and substance satisfactory to Administrative Agent and Lenders.

"Payment Date" has the meaning set forth in Section 3.1.1(c).

"Payment Date Borrowing Base Certificate" has the meaning set forth in Section 8.1.1.

"Payment Item" means each check, draft or other item of payment payable to any Borrower, including those constituting proceeds of any Collateral.

"Payoff Letter" means a letter agreement among, and in form and substance satisfactory to, Borrowers, the Guarantors and the Administrative Agent confirming Full Payment and providing for the survival of certain provisions, including indemnification obligations, as set forth in Section 4.6 and as otherwise provided in the Loan Documents.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any employee pension benefit plan (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Obligor or ERISA Affiliate or to which the Obligor or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

"Permitted Debt" has the meaning set forth in Section 10.2.1.

"Permitted Disposition" means as long as no Default or Event of Default exists and all Net Proceeds are remitted to Collateral Agent for application in accordance with the terms of the Depositary Agreement, any disposition of Collateral or other Property that is (a) disposed of in accordance with Section 8.1.4; or (b) otherwise approved in writing by Administrative Agent and Required Lenders.

"Permitted Investment" means (a) Cash Equivalents that are subject to the Collateral Agent's Lien in accordance with the Depositary Agreement; (b) any Intercompany Loan (as defined in Appendix 2A, Part C) and the Underlying Financings contemplated under the Loan Documents to the extent joined to the Borrowing Base in accordance with Section 6.2; and (c) equity contributions made in cash by a Guarantor to Borrowers for the purpose set forth in Section 10.2.15; provided that any such cash contribution shall be directly funded by such Guarantor into the Borrower Collateral Accounts for further application and deposit into the applicable Borrower subaccount in accordance with the terms of the Depositary Agreement.

"Permitted Liens" has the meaning set forth in Section 10.2.2.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority or other entity.

"Plan" means any employee benefit plan (as defined in Section 3(3) of ERISA) established by an Obligor or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, an ERISA Affiliate.

"Platform" has the meaning set forth in Section 14.3.3.

"Pledge Agreement(s)" means individually or collectively as the context requires: (a) that certain Pledge and Security Agreement dated as of the Closing Date among HA LLC and Collateral Agent (b) that certain Pledge and Security Agreement dated as of the Closing Date among HAT Holdings I and Collateral Agent (c) that certain Pledge and Security Agreement dated as of the Effective Date among HAT Holdings II and Collateral Agent (d) that certain Pledge and Security Agreement dated as of the Closing Date among Pledgor HASI and

Collateral Agent; (e) that certain Pledge and Security Agreement dated as of the Closing Date among Pledgor HAT I and Collateral Agent, and (f) that certain Pledge and Security Agreement dated as of the Closing Date among Pledgor HAT II and Collateral Agent.

"Pledgors" means, individually or collectively as the context requires, HA LLC, HAT Holdings I, HAT Holdings II, Pledgor HASI, Pledgor HAT I and Pledgor HAT II.

"Pledgor Certificate" means a certificate from the Pledgors substantially in the form of Exhibit D-4.

"Pledgor HASI" means Titan-Rhea Holdings (HASI) LLC, a Delaware limited liability company.

"Pledgor HAT I" means Titan-Rhea Holdings (HAT I) LLC, a Delaware limited liability company.

"Pledgor HAT II" means Titan-Rhea Holdings (HAT II) LLC, a Delaware limited liability company.

"Prepay Period" has the meaning set forth in Section 5.2.1(a)(i).

"Principal Office" means for Administrative Agent, such Person's "Principal Office" as set forth on Appendix 1, or such other office or office of a third party or sub-agent, as appropriate, as such Person may from time to time designate in writing to Borrower Agent and Lenders.

"Principal Person" means any officer, director, managing member, beneficial owner of 10% or more of equity interests that are not publicly traded securities, other natural person (whether or not an employee) with primary management or supervisory responsibilities over a Borrower or the Project Portfolio or who has critical influence on or substantive control over a Borrower or the Project Portfolio, and each of their respective successors and assigns.

"Project Portfolio" means the series of Approved Financings financed with or that have otherwise become Eligible Collateral under the Loan Facility, including all Underlying Financings and other collateral securing any such Approved Financings.

"Properly Contested" means with respect to any obligation of an Obligor, (a) the obligation is subject to a bona fide dispute regarding amount or the Obligor's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with GAAP; (d) non-payment could not have a Material Adverse Effect, nor result in forfeiture or sale of any assets of the Obligor; (e) no Lien is imposed on assets of the Obligor, unless bonded and stayed to the reasonable satisfaction of Administrative Agent; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Proposal Package" has the meaning set forth in Section 7.1.2.

"Proposed Nominated Financing" has the meaning set forth in Section 7.1.2.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning set forth in Section 14.3.3.

"RCRA" means the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i).

"Rate Determination Date" means two (2) Business Days prior to the day on which the applicable Borrowing Base Certificate is delivered to the Administrative Agent.

"Real Estate" means all right, title and interest (whether as owner, lessor or lessee) in any real property or any buildings, structures, parking areas or other improvements thereon.

"Receivable" means any payment or amount of fees, principal, interest, premium, prepayment or other amount required to be paid to the applicable Borrower under an Underlying Financing Document.

"Recipient" means Administrative Agent, any Lender, any Issuing Bank or any other recipient of a payment to be made by an Obligor under a Loan Document or on account of an Obligation.

"Register" has the meaning set forth in Section 5.6.2.

"Related Parties" means with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Removal Date" has the meaning set forth in Section 8.1.3(e).

"Removal Effective Date" has the meaning set forth in Section 12.5.2.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

"Required Approval" means any (a) permit, license, authorization, plan, directive, consent order, consent decree or other regulatory or governmental approval of or from any Governmental Authority, (b) any notice of filing with any Governmental Authority and (c) approval, waiver or other consent of any other Person, in each case to the extent necessary with respect to the Loan Facility, the Eligible Collateral or any Underlying Financing.

"Required Lenders" means as of any date of determination, Lenders holding more than 50% of, (a) at any time prior to the Maturity Date, the sum of the (i) Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition) and (ii) aggregate unused Commitments at such time and (b) thereafter, the Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition); provided that if on the date of determination there are two or more non-Affiliated Lenders and one Lender and its Affiliates collectively holds more than 50% of the amounts described in clauses (a) or (b) of this definition, as applicable, "Required Lenders" shall mean at least two non-Affiliated Lenders collectively holding such amounts; provided further that the Loans, L/C Obligations and unused Commitments held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided further that the amount of any participation in any Unreimbursed Amounts that such Defaulting Lender has failed to fund that has not been reallocated to and funded by another Lender shall be deemed to be held by the applicable Issuing Bank in making such determination.

"Resignation Effective Date" has the meaning set forth in Section 12.5.1.

"Resolved" means, with respect to an Approved Financing that is subject to one of the conditions set forth in clauses (iv) through (vii) of the definition of Other Material Underlying Events, that the Administrative Agent (acting at the direction of the Required Lenders in their sole discretion) has determined based on information that has been provided to it by Borrowers as well as its own internal investigation that such Approved Financing may remain a part of the Borrowing Base as Eligible Collateral as a Watched Loan; provided that the Administrative Agent (at the direction of the Required Lenders) shall have the right to re-evaluate such Approved Financing if the Administrative Agent or any Lender becomes aware of facts not previously disclosed to it or of which it was not previously aware during the initial review process.

"Restricted Investment" means any Investment by any Borrower, other than Permitted Investments.

"Restricted Payment" means (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of any Borrower now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of any Borrower now or hereafter outstanding; (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of any Borrower now or hereafter outstanding (d) management or similar fees payable to any Guarantor or any of their Affiliates and (e) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Debt.

"ROFO Notice" means with respect to the Approved Financing (Amortizing Loan), any notice to the other members of the Underlying Borrower pursuant to which such members consent (or decline to consent, as applicable) to the waiver of any requirements that would potentially apply to any rights of first refusal under the Underlying Borrower's limited liability agreement.

"Royalties" means all royalties, fees, expense reimbursement and other amounts payable by any Borrower under a License.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc.

"Sanction" means any economic or financial sanctions or trade embargos administered, imposed or enforced by (a) the United States Government, including without limitation, OFAC and the United States Department of State, (b) the United Nations Security Council, (c) the European Union, (d) Her Majesty's Treasury ("HMT"), (e) any European Union member state, or (f) any other relevant sanctions authority.

"Sanctioned Person" has the meaning set forth in Section 9.1.18(a).

"Scheduled Amortizing Loan Repayment" means any prepayment required pursuant to the terms of Section 5.2.3.

"Scheduled Calculation Date" means, with respect to each Payment Date, each date that is two (2) Business Days prior to such Payment Date.

"Scheduled DD Amount" means, at any time with respect to a Delayed Draw Financing, the aggregate portion of the Aggregate DD Amount to be funded on a Credit Date by the applicable Borrower and/or Lenders, as the case may be.

"Scheduled Unavailability Date" has the meaning set forth in Section 3.6.1(c)(ii).

"Secured Parties" means Administrative Agent, Collateral Agent, Lenders and Issuing Banks.

"Securities Account Control Agreements" mean, collectively, those securities account control agreements entered into from time to time, by and among the Borrowers, certain Affiliates of the Borrowers, the Administrative Agent, and the Bank of New York Mellon, as Intermediary and Securities Intermediary.

"Security Agreement" means that certain Security Agreement (Approval-Based) dated as of the Closing Date between each Borrower

and Collateral Agent.

"Security Documents" means, the Security Agreement, the Securities Account Control Agreement, the Pledge Agreements, the Depositary Agreement, the Paying Agency Agreement and all other documents, instruments and agreements now or hereafter securing (or given with the intent to secure) any Obligations.

"Semi-annual Period" means each period of six-months, commencing on the first day of a Fiscal Year; provided that the first such period shall begin on the Closing Date and end on June 30, 2019.

"Solvency Certificate" means a certificate from the Obligors substantially in the form of Exhibit D-7.

"Solvent" means (a) with respect to any Obligor, that as of the date of determination, both (i) (A) the sum of such Obligor's debt (including contingent liabilities) does not exceed the present fair saleable value of such Obligor's present assets; (B) such Obligor's capital is not unreasonably small in relation to its business as contemplated on the Effective Date and reflected in the *pro forma* balance sheets and income statements delivered to Administrative Agent pursuant to Section 6.1.6 or with respect to any transaction contemplated by such Obligor to be undertaken after the Effective Date; and (C) such Obligor has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Obligor is "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and Applicable Laws relating to fraudulent transfers and conveyances and (b) as to any other Person, such Person (i) owns Property whose Fair Salable Value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (ii) owns Property whose present Fair Salable Value is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (iii) is able to pay all of its debts as they mature; (iv) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (v) is not "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code; and (vi) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5). "Solvent", when used in connection with any Guarantor or Pledgor, shall be calculated for such Person on a consolidated basis with the Subsidiaries of such Person.

"Specified Ground Lease Default" means with respect to an Approved Financing (Land Assets) (i) the occurrence of a default under a Ground Lease which is not cured within the applicable grace period therein (if any) and (ii) the project related to such Ground Lease has not achieved Commercial Operations.

"State/Local Obligor" means an entity that (i) is a U.S. state or U.S. county, city, township, or municipal agency, authority, body, commission, court, instrumentality, political subdivision, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions as a governmental authority, and (ii) (A) is rated by S&P or Moody's (or both) and has a credit rating of at least "BBB" by S&P (if then rated by S&P) or "Baa2" by Moody's (if then rated by Moody's) or (B) if not rated by either S&P or Moody's, has a rating that was calculated using Moody's RiskCalc or Q-Rate credit rating software and such rating is at least equal to "Baa2".

"Subsidiary" means with respect to any Person, a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of any Borrower.

"Super-Majority Lenders" means as of any date of determination, Lenders holding more than 75% of, (a) at any time prior to the Maturity Date, the sum of the (i) Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition) and (ii) aggregate unused Commitments at such time and (b) thereafter, the Outstanding Amount and L/C Obligations at such time (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition); provided that the Loans, L/C Obligations and unused Commitments held by any Defaulting Lender shall be excluded for purposes of making a determination of the Super-Majority Lenders; provided further that the amount of any participation in any Unreimbursed Amounts that such Defaulting Lender has failed to fund that has not been reallocated to and funded by another Lender shall be deemed to be held by the applicable Issuing Bank in making such determination.

"Supplemental Borrowing Base Certificate" has the meaning set forth in Section 5.2.1(a)(i).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto." Tax" shall mean any of the foregoing.

"Threshold Amount" means an amount equal to the product of (a) the Aggregate DD Amount and (b) the percentage obtained by dividing the Applicable DD Percentage (as the numerator) by the Borrower Advance Rate.

"Titan Agreement" means that certain Loan Agreement (Rep-Based) dated as of the Closing Date by and among certain Affiliates of the

Borrowers, namely, Titan Borrower (HASI) LLC, Titan Borrower (HAT I) LLC and Titan Borrower (HAT II) LLC, as borrowers, and the lenders and agents party thereto.

"Title IV Plan" means a Plan, excluding any Multiemployer Plan, that is subject to Title IV of ERISA.

"Total Commitments" means the aggregate Commitment of all Lenders.

"Transfer Documents" means, collectively, the transfer documents dated on or prior to the Closing Date pursuant to which underlying financings owned by the Borrowers or one or more Affiliates of the Borrowers on the Closing Date (other than the Approved Financings), if any, are transferred to the applicable Borrower by one or more Affiliates of the Borrowers.

"U.S. Federal Government Obligor" means an entity that is an agency of the United States of America and the obligations of which are fully guaranteed by the full faith and credit of the United States.

"U.S. Person" means a "United States Person" (as defined in Section 7701(a)(30) of the Code).

"U.S. Tax Compliance Certificate" means a certificate, in the form of Exhibit D-7A, Exhibit D-7B, Exhibit D-7C or Exhibit -7D, as applicable and satisfactory to Administrative Agent, by which a Foreign Lender or Foreign Participant certifies compliance with Section 5.8.2(b).

"UCC" means the Uniform Commercial Code as in effect in the State of New York or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

"UCP" means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

"Underlying Borrower" means with respect to any Approved Financing, as applicable, the Person identified in the applicable Underlying Financing Specification as an "Underlying Borrower", which shall include, for the avoidance of doubt, the Land Lease Borrower and the Amortizing Borrower.

"Underlying Borrower Advance" means, with respect to any Delayed Draw Financing, the portion of the advance or borrowing amount requested by the applicable Underlying Borrower from the applicable Borrower in accordance with the terms of the Underlying Financing Documents.

"Underlying Borrower Guarantor" means with respect to each Approved Financing, each Person (if any) guaranteeing the obligations of the applicable Underlying Borrower under any of the Underlying Financing Documents or otherwise providing credit support in respect of such obligations and identified as such in the Underlying Financing Specification.

"Underlying Depositary" means any depositary, collateral agent, administrative agent or paying agent or any other Person performing such similar role appointed pursuant to the Underlying Financing Documents.

"Underlying Financing" means with respect to any Approved Financing, the financing, acquisition or other transaction as described in the applicable Credit Date Certificate and the applicable Underlying Financing Specification, as such Underlying Financing Specification may be supplemented, modified, amended, restated or replaced from time to time, and any renewals, extensions, or refinancing thereof, and all collateral securing such loan.

"Underlying Financing Agreement" means, for each Approved Financing, any agreement, in each case, identified in *Part IV* of *Exhibit A* to the applicable Underlying Financing Specification as an "Underlying Financing Agreement".

"Underlying Financing Criteria" means each of the criteria, terms and conditions set forth in Appendix 2.

"Underlying Financing Documents" means with respect to any Underlying Financing, any promissory note evidencing the obligations of the Underlying Borrower, the Underlying Financing Agreement, each Underlying Financing Project Document and all of the other documents evidencing the obligation of the applicable Underlying Borrower or representing any of the rights and interests of the applicable Borrower as lender, buyer or noteholder thereunder or delivered by or assigned or collaterally assigned to such Borrower in connection with such Underlying Financing and all documents related to the creation, perfection or maintenance of Liens granted or collateral provided to secure such Underlying Financing, as the same may be supplemented, modified, amended, restated or replaced from time to time and including those documents set forth in *Part IV* of *Exhibit A* to the applicable Underlying Financing Specification.

"Underlying Financing Project Documents" means each document listed in *Part IV of Exhibit A* of the applicable Underlying Financing Specification under the heading "Underlying Financing Project Documents", including the Material Underlying Financing Documents.

"Underlying Financing Proposal Certificate" means each certificate substantially in the form of Exhibit A to Appendix 2, or otherwise satisfactory to Administrative Agent.

"Underlying Financing Specifications" means each investment specification delivered by Borrowers in the form of Appendix 3.

"Underlying Material Adverse Effect" means with respect to an Underlying Financing, the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, (a) has or could be reasonably expected to have a material adverse effect on the business, operations, Properties, prospects, condition (financial or otherwise) or the value of any Underlying Project or other material

collateral securing the applicable Underlying Financing, on the enforceability of any Material Underlying Financing Document, or on the validity or priority of the applicable Borrower's Lien on any collateral under the applicable Underlying Financing Documents; (b) has or could be reasonably expected to have a material adverse effect on the business, operations, Properties, prospects or condition (financial or otherwise) of a Material Underlying Financing Participant or otherwise impairs the ability of the applicable Material Underlying Financing Participant to perform its obligations under the Underlying Financing Documents, including repayment of any obligations thereunder; or (c) has or could be reasonably expected to have a material adverse effect on the ability of Administrative Agent or any Lender or the applicable Borrower to enforce or collect any obligations under the Underlying Financing Documents or to realize upon any collateral provided pursuant to any Underlying Financing Documents.

"Underlying Obligor" means with respect to any Approved Financing, each counterparty to a Ground Lease with a Land Lease Entity, State/Local Obligor, U.S. Federal Government Obligor or Institutional Obligor or other Person identified as an "Underlying Obligor" in the Underlying Financing Specification for such Approved Financing.

"Underlying Project" means with respect to an Underlying Financing, the energy efficiency, clean energy or other sustainable infrastructure project or leasehold interest financed, directly or indirectly, by the applicable Borrower under such Underlying Financing.

"Unfunded Financing Commitment Amount" means with respect to any Delayed Draw Financing, as of any date of determination, an amount equal to the Delayed Draw Commitment Amount for such loan minus the aggregate principal amount advanced by Lenders hereunder in respect of such Delayed Draw Financing.

"Unreimbursed Amount" has the meaning set forth in Section 2.4.8.

"United States" and "U.S." means the United States of America.

"Valuation Maturity Date" means the date that is the earlier of (x) the last scheduled date for payment of principal and interest under the Underlying Financing Agreement for such Approved Financing and (y) the date set forth in the Underlying Financing Specification for such Approved Financing as the "Implied Valuation Maturity Date".

"Valuation Period" with respect to an Approved Financing, the period beginning on the applicable Determination Date and ending on the Valuation Maturity Date and with respect to a Delayed Draw Financing, the period beginning on the first Business Day after the last advance under the Delayed Draw Financing and ending on the Valuation Maturity Date.

"Voluntary Prepayment" has the meaning set forth in Section 5.2.2(a).

"Watched Loans" means any Approved Financing (i) that is subject to a default under its corresponding Underlying Financing Documents (or, in the case of any Approved Financing (Land Assets), any Ground Lease) as a result of the failure by any Underlying Borrower or any other obligor to make any payment when due under the terms of such Underlying Financing Agreement (or, in the case of any Approved Financing (Land Assets), any Ground Lease) or any other Underlying Financing Documents, following the expiration of any grace or cure period expressly permitted for such default in such Underlying Financing Documents (or, in the case of any Approved Financing (Land Assets), any Ground Lease) (but excluding any extended grace periods or "cure rights" afforded to any lender or other Person providing construction, tax equity or other debt or equity financing to the applicable Underlying Borrower or Underlying Obligor contained in any other documents which are not Underlying Financing Documents; provided that, notwithstanding the foregoing, any Approved Financing (Land Assets) with a Ground Lease that is subject to a payment default shall become a Watched Loan hereunder on the thirtieth (30^{th}) day following such payment default (without regard to any cure period) unless such payment default is cured on or prior to such thirtieth (30^{th}) day; (ii) that is subject to a bankruptcy default as a result of an Insolvency Proceeding; (iii) that is subject to any Deteriorating Credit Condition; (iv) an Other Material Underlying Event has occurred with respect thereto; or (v) any Other Watched Loan Event has occurred with respect thereto. Notwithstanding anything to the contrary in this Agreement, the Approved Financing (Amortizing Loan) shall not be designated a Watched Loan as a result of any payment default by, bankruptcy of, or other event, circumstance or condition affecting, Strong Upwind Holdings LLC or any of its subsidiaries.

"Weighted Average Life" for each Approved Financing, as of any date of determination, the amount obtained by dividing (a) the sum of the products obtained by multiplying the amount of each remaining scheduled principal payment for such Approved Financing, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Approved Financing.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

"Written Materials and Notices" means any written offer, report, filing, acceptance, election, approval, consent, certification, request, waiver or notice delivered with respect to an Approved Financing, excluding communications relating to administrative matters.

"Zero Value Approved Financing" means an Approved Financing (I) whose corresponding Underlying Financing Documents (or, in the case of any Approved Financing (Land Assets), any Ground Lease) are (x) subject to any payment or bankruptcy default described in clause (i) or (ii) of the defined term 'Watched Loan" (other than with respect to Approved Financing (Land Assets) with a Ground Lease that is subject to a payment default, which shall only become a Zero Value Approved Financing if the Modeled Ground Lease Rents for such Ground Lease are reduced by 100% in accordance with Section 8.1.3(b)(iv)) or any Delinquent U.S. Federal Government Contract, or (y)(i) subject to one of the conditions set forth in clause (iv) through and including (vii) of the definition of Other Material Underlying Events and (ii) thirty (30) days have elapsed since the date of determination by Administrative Agent, the Super-Majority Lenders, or any Obligor that any such

condition occurred without such Approved Financing having been Resolved or otherwise removed from the Borrowing Base pursuant to Section 8.1.3(e), (II) that is a Delayed Draw Financing if the applicable Borrower has failed to fund its portion of any advance required to be made by such Borrower under such Delayed Draw Financing or such Borrower is otherwise considered to be a defaulting lender or party under such Delayed Draw Financing, or (III) that is subject to an Other Zero Value Event. Notwithstanding anything to the contrary in this Agreement, the Approved Financing (Amortizing Loan) shall not be designated a Zero Value Approved Financing as a result of any payment default by, bankruptcy of, or other event, circumstance or condition affecting, Strong Upwind Holdings LLC or any of its subsidiaries.

1.2. Accounting Terms.

1.2.1. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements of the Obligors, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Debt of Borrowers and their subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

1.2.2. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrowers or Required Lenders shall so request, Administrative Agent, Lenders and Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrowers shall provide to Administrative Agent and Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the audited financial statements of the Obligors for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above. Notwithstanding anything to the contrary contained in the definition of "Capital Lease," in the event of an accounting change requiring all leases to be capitalized, only those leases that would constitute capital leases in conformity with GAAP on the date hereof shall be considered Capital Leases, and all computation of any financial ratio or requirement set forth in any Loan Document shall be made or delivered, as applicable, in accordance therewith.

1.2.3. All references herein to consolidated financial statements of the Obligors or to the determination of any amount for the Obligors on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that HA INC is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

1.3. Certain Matters of Construction. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

1.3.1. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organizational Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Sections, Exhibits, Appendixes and Schedules shall be construed to refer to Sections of, and Exhibits, Appendixes and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3.2. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

1.3.3. Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.3.4. All references to Nominal Value, Borrowing Base components, Loans, Underlying Financings, Obligations and other amounts herein shall be denominated in Dollars, unless expressly provided otherwise, and all determinations (including calculations of BB Adjusted Value, Nominal Value, Borrowing Base (and all components thereof) and financial covenants) made from time to time under the Loan Documents, shall be made in light of the circumstances existing at such time. Borrowing Base calculations shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to Administrative Agent (and not necessarily calculated in accordance with GAAP).

1.3.5. Unless otherwise specified herein or in such other Loan Document or unless the context requires otherwise, each reference to any Underlying Financing Specification, Underlying Financing, Underlying Financing Document, Underlying Borrower, Underlying Project, Underlying Financing Project Documents or Underlying Obligor shall refer to such Underlying Financing Specification, Underlying Financing, Underlying Financing Document, Underlying Borrower, Underlying Project, Underlying Financing Project Documents or Underlying Obligor with respect to the applicable Approved Financing or Proposed Nominated Financing. When an Underlying Financing is released pursuant to Section 8.1.4, such Underlying Financing shall cease to be an Approved Financing for purposes of this Agreement.

1.3.6. Unless otherwise specified herein or in such other Loan Document or the context requires otherwise, each reference to any Approved Financing shall refer, collectively, to the Underlying Financing securing such Approved Financing and all Underlying Financing Documents related thereto.

1.3.7. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.4. Currency Equivalents. Borrowers shall deliver financial statements and calculate financial covenants in Dollars. In the event that any Borrowers propose that any Underlying Financing or Approved Financing be denominated in a currency other than Dollars, the parties hereto shall enter into good faith negotiations to amend this Agreement to provide for the Dollar equivalent of any such amounts as determined by Administrative Agent on a daily or other basis to be agreed, based on a conversion rate to be agreed between Borrowers and Lenders.

1.5. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any L/C Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

SECTION 2. CREDIT FACILITIES

2.1. Loans.

2.1.1. Subject to the terms and conditions hereof, including without limitation, Section 4.3, each Lender agrees to make, prior to the Commitment Termination Date pursuant to Section 4.1, one or more loans (each such loan, a "Loan" and collectively, the "Loans") to Borrowers up to an aggregate amount equal to the Commitment of such Lender; provided that in no event shall Lenders have any obligation to honor a request for a Loan if after giving effect thereto either (I) the Availability Amount (calculated using the Adjusted Borrowing Base) is less than zero or (II) the Borrowers have failed to comply with the Interest Service Coverage Ratio Threshold for the most recent Interest Coverage Calculation Period. Notwithstanding anything herein to the contrary, there shall be no more than two (2) Advances in any calendar month.

2.1.2. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, Borrowers may borrow under Section 4.1, prepay under Section 5.2.2, and re-borrow under Section 4.1.

2.2. Notes. Loans and interest accruing thereon shall be evidenced by the accounts or records of Administrative Agent and the applicable Lender. As a condition precedent to the initial Advance under this Agreement and at any time thereafter if so requested by Administrative Agent (following a request therefor from a Lender) by written notice to Borrower Agent (with a copy to such Lender), Borrowers shall execute and deliver to the requesting Lender (with a copy to Administrative Agent), at least (2) Business Days prior to the applicable Credit Date for such Advance (or, if such notice is delivered after such Credit Date, promptly after receipt of such notice) a Borrower Note, which shall evidence the applicable Loan in the amount equal to the Maximum Loan Amount and shall be in addition to the accounts and record.

2.3. Use of Proceeds. The proceeds of each Advance shall be applied by Borrowers (a) to fund loans from the Borrowers to the Land Lease Borrower in accordance with the Land Lease Loan Agreement, (b) to purchase an Approved Financing from an Origination Company or reimburse an Affiliate of Borrowers that funded an Origination Company in connection with such Origination Company's acquisition of an Approved Financing, (c) to pay costs and expenses of Borrowers, in each case, in accordance with the terms in this Agreement and the other Loan Documents, (d) to pay fees and transaction expenses associated with each Advance and (e) for general corporate purposes. No portion of the proceeds of any Advance shall be used (x) to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of any Advance, is the subject of Sanctions or in any manner that will result in a violation by any Person of Sanctions, (y) in any manner that causes or might cause such Advance or the application of such proceeds to violate Regulation T, Regulation U or Regulation X or any other applicable regulation thereof or to violate the Exchange Act, or (z) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Bribery and Anti- Corruption Laws that may be applicable.

2.4. Letters of Credit.

2.4.1. General. The Letter of Credit Commitment. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.1.1., any Borrower may request from the Issuing Banks, in reliance on the agreements of the Lenders set forth in this Section, to issue, at any time and from time to time prior to the Commitment Termination Date, Letters of Credit denominated in Dollars for its own account or the account of any of its Subsidiaries in such form as is acceptable to Administrative Agent and the applicable Issuing Bank in their reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments.

2.4.2. Notice of Issuance, Amendment, Extension, Reinstatement or Renewal. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiration date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), the Borrower Agent shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to any Issuing Banks selected by it and to Administrative Agent not later than 2:00 p.m. (New York time) at least three (3) Business Days (or such later date and time as the Administrative Agent and the Issuing Bank may agree in a particular instance in their sole discretion) prior to the requested date of issuance, amendment, extension, reinstatement or renewal, as the case may be, a notice, requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, reinstated or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.4.6), the amount of such Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, reinstate or renew such Letter of Credit. If requested by the relevant Issuing Bank, the Borrower Agent also shall submit a Letter of Credit Application and reimbursement agreement in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of Letter of Credit Application and reimbursement agreement or other agreement submitted by such Borrower Agent to, or entered into by any Borrower with, such Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

2.4.3. Limitations on Amounts, Issuance and Amendment . A Letter of Credit shall be issued, amended, extended, reinstated or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving pro forma effect to such issuance, amendment, extension, reinstatement or renewal (a) the aggregate amount of the outstanding Letters of Credit issued by the Issuing Banks shall not exceed the L/C Commitment, (b) the aggregate L/C Obligations shall not exceed the L/C Sublimit, (c) the aggregate principal amount of each Lender's outstanding Loans and participations in L/C Obligations at such time shall not exceed its Commitment, (d) the total Outstanding Amount and L/C Obligations shall not exceed the Total Commitments and (e) the Borrowing Base is greater than or equal to the Aggregate Usage.

2.4.4. No Issuing Bank shall be under any obligation to issue any Letter of Credit if:

(a) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing the Letter of Credit, or any Law applicable to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Issuing Bank with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it;

(b) the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally;

(c) except as otherwise agreed by the Administrative Agent and such Issuing Bank, such Letter of Credit is in an initial stated amount less than $500,000;

(d) any Lender is at that time a Defaulting Lender, unless such Issuing Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuing Bank (in its sole discretion) to eliminate such Issuing Bank's actual or potential Fronting Exposure (after giving effect to Section 4.2.2) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such Issuing Bank has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(e) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

2.4.5. No Issuing Bank shall be under any obligation to amend any Letter of Credit if (a) such Issuing Bank would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (b) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

2.4.6. Expiration Date. Each Letter of Credit shall have a stated expiration date no later than the earlier of (i) the date that is twelve (12) months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, twelve (12) months after the then-current expiration date of such Letter of Credit) and (ii) the date that is five (5) Business Days prior to the Maturity Date.

2.4.7. Participations.

(a) By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

(b) In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent, for account of the applicable Issuing Bank, such Lender's Applicable Percentage of each L/C Disbursement made by the applicable Issuing Bank not later than 1:00 p.m. (New York time) on the Business Day specified in the notice provided by the Administrative Agent to the Lenders pursuant to Section 2.4.8 until such L/C Disbursement is reimbursed by the Borrowers or at any time after any reimbursement payment is required to be refunded to any Borrower for any reason, including after the Maturity Date. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 5.1.2 with respect to Loans made by such Lender (and Section 5.1.2 shall apply, mutatis mutandis, to the payment obligations of the Lenders pursuant to this Section 2.4), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from any Borrower pursuant to Section 2.4.8, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the applicable Issuing Bank for any L/C Disbursement shall not constitute a Loan and shall not relieve any Borrower of its obligation to reimburse such L/C Disbursement.

(c) Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Commitment is amended pursuant to the operation of Sections 2.5 or 2.6, as a result of an assignment in accordance with Section 14.1 or otherwise pursuant to this Agreement.

(d) If any Lender fails to make available to the Administrative Agent for the account of the applicable Issuing Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.4.7, then, without limiting the other provisions of this Agreement, the applicable Issuing Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the applicable Issuing Bank in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by such Issuing Bank in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Loan or L/C Advance, as the case may be. A certificate of the applicable Issuing Bank submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (d) shall be conclusive absent manifest error.

2.4.8. Reimbursement. If an Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such Issuing Bank in respect of such L/C Disbursement by paying to Administrative Agent an amount equal to such L/C Disbursement not later than 2:00 p.m. (New York time) on (a) the Business Day that Borrower receives notice of such L/C Disbursement, if such notice is received prior to 10:00 a.m. (New York time) or (b) the Business Day immediately following the day that Borrower receives such notice, if such notice is not received prior to such time. If Borrower does not make such payment, the Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall notify each Lender of the applicable L/C Disbursement, the payment then due from Borrower in respect thereof (the "Unreimbursed Amount") and such Lender's Applicable Percentage thereof. In such event, the applicable

Borrower shall be deemed to have requested an Advance of Eurodollar Rate Loans from the Lenders to be disbursed on the date of payment by the applicable Issuing Bank under a Letter of Credit in an amount equal to the Unreimbursed Amount (such advance, an "L/C Advance"), without regard to the minimum and multiples specified herein for the principal amount of Eurodollar Rate Loans, but subject to the amount of the unutilized portion of the aggregate Commitments and the conditions set forth in Section 4.1 (other than the delivery of a Notice of Borrowing). Each L/C Advance made shall be a Eurodollar Loan from the Lenders in their respective pro rata shares bearing interest at the Eurodollar Rate plus the Margin applicable to L/C Advances. The applicable Borrower's obligation to make a payment to the Issuing Bank in connection with such L/C Disbursement shall be discharged and replaced by Borrowers obligation to repay such L/C Advance. Any notice given by the applicable Issuing Bank or the Administrative Agent pursuant to this Section 2.4.8 may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.4.9. Obligations Absolute. The Borrowers' obligations to reimburse L/C Disbursements shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (a) any lack of validity or enforceability of this Agreement or any Letter of Credit, or any term or provision herein or therein, (b) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction, (c) any draft, demand, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement in such draft or other document being untrue or inaccurate in any respect, (d) waiver by any Issuing Bank of any requirement that exists for such Issuing Bank's protection and not the protection of the Borrowers or any waiver by such Issuing Bank which does not in fact materially prejudice the Borrowers, (e) payment by the respective Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, or any payment made by any Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; (f) honor of a demand for payment presented electronically even if such Letter of Credit required that demand be in the form of a draft; (g) any payment made by any Issuing Bank in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or UCP, as applicable, or (h) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. The Borrower Agent shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower Agent's instructions or other irregularity, the Borrower Agent will immediately notify the applicable Issuing Bank. The Borrowers shall be conclusively deemed to have waived any such claim against the applicable Issuing Bank and its correspondents unless such notice is given as aforesaid.

2.4.10. Role of Issuing Bank. None of the Administrative Agent, any Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the applicable Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse the applicable Issuing Bank from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by Applicable Law) suffered by the Borrowers that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, willful misconduct or willful failure to pay under any Letter of Credit on the part of the applicable Issuing Bank (as finally determined by a court of competent jurisdiction), the applicable Issuing Bank shall be deemed to have exercised care in each such determination, and that:

(a) the applicable Issuing Bank may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation;

(b) the applicable Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(c) an Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(d) this sentence shall establish the standard of care to be exercised by an Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by Applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of the Administrative Agent, the Lenders, any Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of (i) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith, or illegal conduct of the beneficiary or other Person, (ii) an Issuing Bank declining to take-up documents and make payment (A) against documents that are fraudulent, forged, or for other reasons by which that it is entitled not to honor or (B) following a Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (iii) an Issuing Bank retaining

proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to such Issuing Bank.

2.4.11. Applicability of ISP and UCP. Unless otherwise expressly agreed by the applicable Issuing Bank and the Borrower Agent when a Letter of Credit is issued by such Issuing Bank (including any such agreement applicable to an existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, no Issuing Bank shall be responsible to the Borrowers for, and no Issuing Bank's rights and remedies against the Borrowers shall be impaired by, any action or inaction of such Issuing Bank required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the applicable Issuing Bank or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

2.4.12. Limitation of Liability. Each Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such Issuing Bank shall have all of the benefits and immunities (A) provided to the Administrative Agent in Section 12 with respect to any acts taken or omissions suffered by such Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Section 12 included such Issuing Bank with respect to such acts or omissions, and (B) as additionally provided herein with respect to such Issuing Bank.

2.4.13. Letter of Credit Fees. Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") with respect to each Letter of Credit equal to a rate per annum equal to 1.50% (the "Applicable L/C Rate") times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.5. Accrued fees with respect to each Letter of Credit shall be payable in arrears on each Payment Date, commencing on the first Payment Date to occur after such issuance of the Letter of Credit, on the Maturity Date and thereafter on demand, computed on a monthly basis in arrears.

2.4.14. Fronting Fee and Documentary and Processing Charges Payable to Issuing Bank. The Borrower shall pay directly to the applicable Issuing Bank for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum equal to the percentage separately agreed upon between the Borrower and such Issuing Bank, computed on the daily amount available to be drawn under such Letter of Credit on a monthly basis in arrears. Such fronting fee shall be due and payable in arrears on each Payment Date, commencing on the first Payment Date to occur after such issuance of the Letter of Credit, on the Maturity Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.5. In addition, the Borrower shall pay directly to the applicable Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

2.4.15. Disbursement Procedures. The Issuing Bank for any Letter of Credit shall, within the time allowed by Applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower Agent in writing of such demand for payment and whether such Issuing Bank has made or will make an L/C Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such L/C Disbursement.

2.4.16. Interim Interest. If the Issuing Bank for any Letter of Credit shall make any L/C Disbursement, then, unless (i) the Borrower shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made or (ii) an L/C Advance shall be deemed made with respect to such L/C Disbursement pursuant to Section 2.4.8, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but excluding the date that the Borrower reimburses such L/C Disbursement or such L/C Advance is deemed to be made, at the rate per annum then applicable to Base Rate Loans. Any such interest shall be for the account of such Issuing Bank.

2.4.17. Replacement of any Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement between the Borrower Agent, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Sections 2.4.13 and 2.4.14, as applicable. From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such successor. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

2.4.18. Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Agent receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Obligations representing at least 66-2/3% of the total L/C Obligations) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall immediately deposit into the Cash Collateral Account an amount in cash equal to 103% of the total L/C Obligations as of such date plus any accrued and unpaid interest thereon, provided that the obligation to deposit such cash collateral shall

become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in Sections 11.1.7 or 11.1.8. Such deposit shall be held by the Collateral Agent as collateral for the payment and performance of the obligations of the Borrowers under this Agreement. In addition, and without limiting the foregoing or Section 2.4.6, if any L/C Obligations remain outstanding after the expiration date specified in Section 2.4.6, the Borrowers shall immediately deposit into the Cash Collateral Account an amount in cash equal to 103% of such L/C Obligations as of such date plus any accrued and unpaid interest thereon. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the Collateral Account. Monies in the Cash Collateral Account shall be applied to reimburse the Issuing Bank for L/C Disbursements for which it has not been reimbursed, together with related fees, costs, and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Obligations representing 66-2/3% of the total L/C Obligations), be applied to satisfy other obligations of the Borrowers under this Agreement. If the Borrowers are required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrowers within three (3) Business Days after all Events of Default have been cured or waived.

2.4.19. Conflict with L/C Documents. In the event of any conflict between the terms hereof and the terms of any L/C Document, the terms hereof shall control.

2.4.20. Grant of Security Interest. The Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Collateral Agent, for the benefit of the Agents, the Issuing Bank and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances in the Cash Collateral Account, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.4.23. If at any time any Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Collateral Agent or the Issuing Bank as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount required under Section 2.4.22 or the amount required under Section 2.4.18 or 4.2.3, as applicable, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Collateral Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (determined in the case of Cash Collateral provided pursuant to Section 4.2.3, after giving effect to Section 4.2.2 and any Cash Collateral provided by the Defaulting Lender). All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more Cash Collateral Accounts. The Borrowers shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

2.4.21. Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto including by the termination of Defaulting Lender status of the applicable Lender or (ii) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the Issuing Bank may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.4.22. Obligation to Cash Collateralize. At any time that there shall exist a Defaulting Lender, within five (5) Business Days following the written request of the Administrative Agent or Issuing Bank (with a copy to the Administrative Agent), the Borrowers shall Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 4.2.2) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

2.4.23. Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under Section 2.4.4, 2.4.18, 2.4.20, 2.4.22, 11.2, or 13.4.3 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

2.4.24. Letters of Credit Issued for Affiliates. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any Affiliate of the Borrowers, the Borrowers shall be obligated to reimburse, indemnify and compensate the applicable Issuing Bank hereunder for any and all drawings under such Letter of Credit as if such Letter of Credit had been issued solely for the account of a Borrower. Each Borrower irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Affiliate in respect of such Letter of Credit. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any Affiliate inures to the benefit of the Borrowers, and that the Borrowers' business derives substantial benefits from the businesses of such Affiliates.

2.5. Increase in Commitments.

2.5.1. Borrower Agent may request an increase in Commitments from time to time upon notice to Administrative Agent as long as the requested increase is in a minimum amount of $50,000,000 (or any other amount as the Administrative Agent (at the direction of the Lenders) and the Borrower Agent may mutually agree) and is offered on the same terms as existing Commitments; provided that Administrative Agent and the Lenders may impose additional fees in connection with any increased Commitment. Administrative Agent (at the direction of all the Lenders) may accept any Borrower Agent request for an increase in

Commitments in its sole and absolute discretion, and if the Lenders accept such request, the Commitments may be increased in accordance with Sections 2.5.2 and 2.5.3.

2.5.2. Lenders shall have twenty (20) days to accept an offer to participate in the requested increase in Commitments by delivering written notice of the same to the Administrative Agent and any Lender not responding within such period shall be deemed to have declined an increase. The Administrative Agent shall notify the Borrowers and each Lender of the Lenders' responses to each request made hereunder. If the Lenders do not provide commitments equal to the amount of the requested increase, then, subject to the approval of the Administrative Agent and Issuing Bank, the Borrowers may invite additional Persons (other than a natural Person a Borrower or an Affiliate of a Borrower) to provide the remaining portion of the requested increase and become Lenders on the same terms that were offered to the existing Lenders (each such Person, a "New Lender").

2.5.3. Provided the conditions set forth in Section 6.2 or 6.3, as applicable, are satisfied, Total Commitments shall be increased by the requested amount (or such lesser amount committed by Lenders and New Lenders) on a date agreed upon by Administrative Agent and Borrower Agent, but no later than forty-five (45) days following Borrowers' increase request. Administrative Agent, Borrowers, and each New Lender and existing Lenders shall execute and deliver such documents and agreements as Administrative Agent deems appropriate to evidence the increase in and allocations of Commitments. Borrowers shall pay all agreed-upon fees and transaction expenses associated with each increase in Commitments pursuant to this Section 2.5. On the effective date of an increase, all outstanding Loans and other exposures under the Commitments shall be reallocated among Lenders, and settled by Administrative Agent if necessary, in accordance with Lenders' adjusted shares of such Commitments.

2.6. Termination or Reduction of Commitments.

2.6.1. On the earlier of (a) the date that is six (6) months prior to the scheduled Maturity Date and (b) the occurrence of any event set forth in Sections 11.2.1(a) or (b) (the date of any such event, the "Commitment Termination Date") the Commitments shall be automatically and permanently reduced to zero and no further Loans shall be made hereunder.

2.6.2. Notwithstanding anything to the contrary herein, Borrower Agent may, upon notice to Administrative Agent, terminate any portion or all of the Commitments once during the term of this Agreement (in addition to its rights under Section 13.4) without a penalty; provided that (a) such notice shall be in writing and must be received by the Administrative Agent not later than 2:00 p.m. (New York time) five (5) Business Days prior to the effective date of such termination or reduction, (b) any partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof and (c) the Borrower Agent shall not terminate or reduce (i) the Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Aggregate Usage would exceed the Total Commitments, or (ii) the L/C Sublimit, if after giving effect thereto, the aggregate L/C Obligations not fully Cash Collateralized hereunder would exceed the L/C Sublimit. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Commitments pursuant to this Section 2.6.2. Upon any reduction of unused Commitments, the Commitment of each Lender shall be reduced by such Lender's ratable share of the amount of such reduction. If after giving effect to any reduction or termination of Commitments hereunder, the L/C Sublimit exceeds the Total Commitments at such time, the L/C Sublimit shall be automatically reduced by the amount of such excess.

SECTION 3. INTEREST, FEES AND CHARGES

3.1. Interest.

3.1.1. Rates and Payment of Interest.

(a) Except as otherwise set forth herein, (i) each Eurodollar Rate Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof payable in arrears on each Payment Date at a rate of interest equal to the Eurodollar Rate for the applicable Interest Period plus the applicable Margin, and (ii) each Base Rate Loan made pursuant to Sections 3.5 or 3.6 shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof payable in arrears on each Payment Date at a rate of interest equal to the Base Rate in effect from time to time plus the applicable Margin (in each case, the "Applicable Interest Rate"). All computations of interest on any Loan hereunder shall include the first day and the last day of the Interest Period in effect for such Loan.

(b) During the existence of an Event of Default under Section 11.1.7 or 11.1.8, or during any other Event of Default if Administrative Agent or Required Lenders in their discretion so elect, (i) Obligations, including any interest payments on the Loans and any fees or other amounts outstanding hereunder other than Letter of Credit Fees, shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) at a rate in lieu of the interest rate otherwise payable hereunder with respect to the applicable Loans, equal to the Applicable Interest Rate plus a margin of 2% per annum and (ii) Letter of Credit Fees shall bear interest at a rate equal to the Applicable L/C Rate plus a margin of 2% per annum (the rate under clause (i) and (ii), as applicable, the "Default Rate"), payable on demand to Administrative Agent on behalf of Lender. Each Borrower acknowledges that the cost and expense to Administrative Agent and Lenders due to an Event of Default are difficult to ascertain and that the Default Rate is fair and reasonable compensation for this.

(c) Interest shall accrue from the date an Advance is made or Obligation is incurred or payable, until paid in full by Borrowers. If a Loan is repaid on the same day made, one day's interest shall accrue. Interest accrued on the Loans shall be due and payable by Borrowers in arrears, (i) on the tenth day of each calendar month during the term hereof (each a "Payment Date"); (ii) on any date of

prepayment, with respect to the principal amount of Loans being prepaid; and (iii) on the Maturity Date. Unless otherwise specified, all computations of interest for Base Rate Loans, shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year), unless otherwise specified. Notwithstanding the foregoing, interest accrued at the Default Rate shall be due and payable on demand.

3.2. Fees.

3.2.1. Administrative Fee. Borrowers shall pay to Administrative Agent, for its own account, the fees owing to the Administrative Agent as set forth in the Bank of America Letter Agreement.

3.2.2. Commitment Documents. All fees set forth in the Engagement Letter shall be paid as and when due and as set forth in such Engagement Letter.

3.2.1. Lender Fees. Borrowers shall pay to each Lender, for its own account, the fees as set forth in the Fee Letter for such Lender.

3.2.2. Issuing Bank Fees. Borrowers shall pay to the Issuing Bank, for its own account, the fees owing to the Issuing Bank as set forth in the Bank of America Letter Agreement or as separately agreed with any replacement Issuing Bank.

3.3. Computation of Interest, Fees. Each determination by Administrative Agent of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error. All fees shall be fully earned when due and shall not be subject to rebate, refund or proration. All fees payable under Section 3.2 are compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money. A certificate as to amounts payable by Borrowers under Sections 3.4 (other than Extraordinary Expenses), 3.6, 3.7, 3.8 or 5.7, submitted to Borrower Agent by Administrative Agent or the affected Lender, shall be final, conclusive and binding for all purposes, absent manifest error, and Borrowers shall pay such amounts to the appropriate party within ten (10) days following receipt of the certificate.

3.4. Reimbursement Obligations.

3.4.1. Extraordinary Expenses. Borrowers shall pay all Extraordinary Expenses. All amounts payable by Borrowers under this Section 3.4.1 shall be due and payable on demand.

3.4.2. Periodic Expenses. Borrowers shall, subject to any applicable caps in the Bank of America Letter Agreement, reimburse Agents and Lenders for all reasonable and documented out-of pocket, third-party, legal, accounting, appraisal, consulting, and other reasonable and documented, out-of pocket, third-party fees, costs and expenses incurred by it in connection with (a) negotiation and preparation of any Loan Documents, including any amendment, waivers, consents or other modification thereof or to any Material Underlying Financing Documents (with respect to Material Underlying Financing Documents, solely to the extent consent of the Administrative Agent is required under Section 10.2.18); (b) the Administrative Agent and Lenders review and diligence of Proposed Nominated Financings pursuant to Section 7.1.2 and the administration of and actions relating to any Collateral, any Loan Document, any Advance (and the funding thereof), any Additional Collateral Event and any transactions contemplated thereby, including any actions taken to perfect or maintain priority of Collateral Agent's Liens on any Collateral, to maintain any insurance required under the Insurance Requirements or to verify Collateral, whether prepared by Administrative Agent's personnel or a third party; (c) subject to the limits of Section 10.1.3, each inspection, audit or appraisal with respect to any Obligor or Collateral, whether prepared by Administrative Agent's personnel or a third party and (d) administration of and actions relating to any Underlying Financing Document or any of the transactions contemplated thereby, including any actions taken to perfect or maintain priority of the applicable Borrower's Liens on any collateral securing any Approved Financing, to maintain any insurance required under any Underlying Financing Documents, or to verify any collateral securing any Approved Financings (provided that in the case of such amounts that are legal expenses, any such legal expenses shall be limited to a single firm of counsel for the Agents and Lenders). All amounts payable by Borrowers under this Section 3.4.2 shall be due and payable as provided in Section 3.3. Borrowers shall reimburse Issuing Bank for all reasonable and documented out-of pocket, third-party, legal, accounting, appraisal, consulting, and other reasonable and documented, out-of pocket, third-party fees, costs and expenses incurred by it in connection with the issuance, amendment, extension, reinstatement or renewal of any Letter of Credit or any demand for payment thereunder.

3.5. Illegality. If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to Borrowers through Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans shall be suspended, until such Lender notifies Administrative Agent and Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) Borrowers shall, at its option, either prepay all Eurodollar Rate Loans or convert, pursuant to written notice by Borrowers the Administrative Agent, all Eurodollar Rate Loans of such Lender to Base Rate Loans either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until Administrative

Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, Borrowers shall also pay accrued interest on the amount so prepaid or converted.

3.6. Inability to Determine Rates.

3.6.1.

(a) If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, subject to Section 3.6.1(c), (i) the Administrative Agent determines that (A) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (B) (x) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan and (y) the circumstances described in Section 3.6.1(c)(i) do not apply (in each case with respect to this clause (i), "Impacted Loans"), or (ii) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the actual cost to such Lenders of funding such Loan, Administrative Agent will promptly so notify the Borrowers and each Lender, together with information in reasonable detail to support such determination. Thereafter, (x) the obligation of Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of Section 3.6.1(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Borrowers may revoke in writing any pending request for an Advance of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for an Advance of Base Rate Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (i) of Section 3.6.1(a), the Administrative Agent, in consultation with the Borrowers, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (i) of the first sentence of this section, (2) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Borrowers that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrowers written notice thereof.

(c) If the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower Agent or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower Agent) that the Borrowers or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"); or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR;

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrowers may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes (as defined below) and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth (5^{th}) Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; *provided* that to the extent such market practice is not administratively feasible for the Administrative Agent or no market practice for the administration of such LIBOR Successor Rate exists, such LIBOR Successor Rate shall be applied in such other manner of administration as the Administrative Agent (in consultation with the Borrower Agent determines is reasonably necessary in connection with the administration of this Agreement).

(d) If no LIBOR Successor Rate has been determined and the circumstances under clause (c)(i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower Agent and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base

Rate. Upon receipt of such notice, the Borrower Agent may revoke any pending request for a borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

For purposes hereof, "LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, Margin, timing and frequency of determining rates and making payments of interest and other administrative matters or other references to LIBOR in the Loan Documents, as may be appropriate, in the discretion of the Administrative Agent in consultation with the Borrowers, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent reasonably determines that adoption of any portion of such market practice is not administratively feasible for the Administrative Agent or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent (in consultation with the Borrower Agent) determines is reasonably necessary in connection with the administration of this Agreement).

3.7. Increased Costs; Reserves on Eurodollar Rate Loans.

3.7.1. Increased Costs Generally. If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.7.4) or any Issuing Bank;

(b) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, and (B) Taxes described in clauses (a) through (d) of the definition of Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(c) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such Issuing Bank, Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

3.7.2. Capital Requirements. If any Lender or any Issuing Bank determines that any Change in Law affecting such Lender or such Issuing Bank or any Lending Office of such Lender or such Lender's or such Issuing Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

3.7.3. Delay in Requests. Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to the foregoing provisions of this Section 3.7 shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation, provided that Borrowers shall not be required to compensate a Lender or any Issuing Bank pursuant to the foregoing provisions of this Section 3.7 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or such Issuing Bank, as the case may be, notifies Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

3.7.4. Reserves on Eurodollar Rate Loans. Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan; provided Borrowers shall have received at least ten (10) days' prior notice (with a copy to Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.8. Funding Losses.

3.8.1. Losses. Upon demand of any Lender (with a copy to Administrative Agent) from time to time, each Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by such Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by such Borrower pursuant to Section 13.4;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained (but excluding any loss of anticipated profit). Such Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

3.8.2. Loss Calculation. For purposes of calculating amounts payable by such Borrower to Lenders under this Section 3.8, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Applicable Interest Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.9. Maximum Interest. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (as used in this Section 3.9, "Maximum Rate"). If Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Obligations or, if it exceeds such unpaid principal, refunded to Borrowers. In determining whether the interest contracted for, charged or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest; (b) exclude Voluntary Prepayments and the effects thereof; and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 4. LOAN ADMINISTRATION

4.1. Notice of Borrowing.

4.1.1. For each request for an Advance, Borrower Agent shall deliver to Administrative Agent a fully executed and complete Notice of Borrowing not later than 11:00 a.m. (New York time) at least three (3) Business Days prior to the requested Credit Date. Each Notice of Borrowing shall be irrevocable and shall specify and include (A) the amount of the Advance, which amount when aggregated with all other Advances in respect of the Approved Financing shall not exceed the BB Nominal Value for the Approved Financing in respect of which such Advance is being made (B) the requested Credit Date for such Advance, (C) a certification that all conditions precedent to an Advance have been (or as of the requested Credit Date will be) satisfied, (D) a Borrowing Base Certificate in accordance with Section 6.2.15, (E) with respect to any Approved Subsequent Credit Date, the aggregate principal amount previously Advanced in respect of such Approved Financing, (F) the portion of the Advance, if any, that will be used by the Borrower to fund a draw request under a Delayed Draw Financing and (G) with respect to each Delayed Draw Financing, a true and complete copy of the request for borrowing (or similar request) delivered by the Underlying Borrower requesting that an advance be made under each such Delayed Draw Financing and its corresponding Underlying Financing Agreement. Notwithstanding anything herein to the contrary, the Borrowers shall not request more than two (2) Advances in any calendar month.

4.1.2. Each Lender shall make its Applicable Percentage of each Advance available to Administrative Agent not later than 2:00 p.m. (New York time) on the applicable Credit Date, by wire transfer of same day funds in Dollars, at the Principal Office designated by Administrative Agent. Subject to the satisfaction or waiver of the applicable conditions precedent specified in this Agreement, including without limitation, the conditions set forth in Section 2.1.1 and Section 4.3 and, if applicable, the delivery of a new Borrowing Base Certificate pursuant to Section 4.1.1, Administrative Agent shall make the proceeds of each Loan available to Borrowers on the Credit Date requested by Borrowers in the Notice of Borrowing, by causing an amount of same day funds in Dollars equal to the proceeds of such Loans received by Administrative Agent from Lenders to be credited to the Loan Proceeds Account (as defined in Depositary Agreement) at the Principal Office designated by Administrative Agent or to such other account as may be designated in writing to Administrative Agent by Borrower Agent.

4.2. Defaulting Lender.

4.2.1. Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(a) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 14.1.1.

(b) Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to Section 11.4 shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Banks hereunder *third*, to Cash Collateralize any Issuing Bank's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.4.22; *fourth*, as Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan, or L/C Disbursement in respect of which such Defaulting Lender has failed to provide its portion thereof as required by this Agreement, as determined by Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.4.22; *sixth*, to the payment of any amounts owing to Lenders or any Issuing Bank as a result of any judgment of a court of competent jurisdiction obtained by any Lender or Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrowers as a result of any judgment of a court of competent jurisdiction obtained by Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in, with respect to Letters of Credit, Section 6.4, and with respect to Loans set forth in Section 6.2 or Section 6.3, as applicable, were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 4.2.2. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this pursuant to this Section 4.2.1(b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) (i) Each Defaulting Lender shall be entitled to receive fees payable under Section 3.2.1 for any period during which that Lender is a Defaulting Lender only to extent allocable to the sum (1) of the outstanding principal amount of the Loans funded by it and (2) its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.4.18 or 2.4.20. (ii) Each Defaulting Lender shall be entitled to receive fees payable under Section 2.4.13 for any period during which that Lender is a Defaulting Lender only to extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.4.18 or 2.4.20. (ii) With respect to any fee payable under Section 2.4.13 or Section 3.2.1 not required to be paid to any Defaulting Lender pursuant to clause (i) or (ii) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to Section 4.2.2 below, (y) pay to each Issuing Bank the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's Fronting Exposure to such Defaulting Lender to the extent not Cash Collateralized pursuant to Section 2.4.22, and (z) not be required to pay the remaining amount of any such fee.

4.2.2. Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate principal amount of any Non-Defaulting Lender's outstanding Loans and participations in L/C Obligations at such time to exceed such Non-Defaulting Lender's Commitment. Subject to Section 14.16, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

4.2.3. Cash Collateral. If the reallocation described in Section 4.2.2 above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under Applicable Law, Cash Collateralize the Issuing Lender's Fronting Exposure in accordance with the procedures set forth in Section 2.4.22.

4.2.4. Defaulting Lender Cure. If Borrowers, Administrative Agent and Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by Lenders in accordance with their Applicable Percentages (without giving effect to Section 4.2.2), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

4.2.5. New Letters of Credit. So long as any Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, extend, increase, reinstate or renew any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

4.3. Borrowing Base Limits; Amortizing Loan Borrowing Base

4.3.1. Approved Financing (Deferred Fee Investments). The portion of the Borrowing Base attributable to all Approved Financings (Deferred Fee Investments), in the aggregate, shall not exceed $35,000,000 (or any other amount as the Borrower Agent and the Administrative Agent (at the direction of the Super-Majority Lenders) may mutually agree).

4.3.2. Approved Financing (New Investments). The portion of the Borrowing Base attributable to any single Underlying Borrower (or any single Underlying Obligor in the case of Approved Financings (Land Assets)) in relation to the Approved Financings shall not exceed $50,000,000 (or any other amount as the Administrative Agent (at the direction of the Super-Majority Lenders) may mutually agree).

4.3.3. Amortizing Loan Borrowing Base. Notwithstanding anything herein to the contrary, as of any given date of determination, the portion of the Borrowing Base attributable to the Approved Financing (Amortizing Loan) (the "Amortizing Loan Borrowing Base") shall be equal to the product of (a) the Applicable Valuation Percentage for the Approved Financing (Amortizing Loan) *multiplied* by (b) the lesser of (x) the then outstanding principal balance of the Amortizing Loan (after giving effect to any prepayments of the Amortizing Loan on such date) and (y) the Amortizing Loan Target Debt Balance applicable to such date, provided that if such given date of determination is not a Amortizing Loan Payment Date, the amount under this clause (y) shall be the Amortizing Loan Target Debt Balance amount set forth opposite the immediately preceding Amortizing Loan Payment Date on Appendix 6. Any prepayments of the Amortizing Loan shall not increase the Availability Amount.

4.4. Borrower Agent. Each Borrower hereby designates Borrower HASI ("Borrower Agent") as its representative and agent for all purposes under the Loan Documents, including requests for Loans, designation of interest rates, delivery or receipt of communications, preparation and delivery of Borrower Materials, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Loan Documents (including in respect of compliance with covenants), and all other dealings with Administrative Agent or any Lender. Borrower Agent hereby accepts such appointment. Administrative Agent and Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any notice of borrowing) delivered by Borrower Agent on behalf of any Borrower. Administrative Agent and Lenders may give any notice or communication with any Borrower hereunder to Borrower Agent on behalf of such Borrower. Each of Administrative Agent and Lenders shall have the right, in its discretion, to deal exclusively with Borrower Agent for any or all purposes under the Loan Documents. Each Borrower agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by Borrower Agent shall be binding upon and enforceable against it.

4.5. One Obligation. The Loans and other Obligations constitute one general obligation of Borrowers and are secured by Collateral Agent's Lien on all Collateral; provided, however, that each Agent and each Lender shall be deemed to be a creditor of, and the holder of a separate claim against, each Borrower to the extent of any Obligations jointly or severally owed to such Lender by such Borrower.

4.6. Effect of Termination. Until Full Payment of all the Obligations, all undertakings of Borrowers contained in the Loan Documents shall continue, and Administrative Agent shall retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents. Sections 2.4.24, 3.7, 3.8, 5.4, 5.7, 5.9.1, 5.9.2, 5.10, 14.2, this Section 4.6, and each indemnity or waiver given by an Obligor or Lender in any Loan Document, shall survive Full Payment of the Obligations.

SECTION 5. PAYMENTS

5.1. General Payment Provisions.

5.1.1. General. All payments to be made by Borrowers shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrowers hereunder shall be made to Administrative Agent, for the account of the respective Lenders to which such payment is owed, at Administrative Agent 's Office in Dollars and in immediately available funds not later than 2:00 p.m. (New York time) on the date specified herein. Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by Administrative Agent after 2:00 p.m. (New York time) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

5.1.2. Funding by Lenders; Presumption by Administrative Agent. Unless Administrative Agent shall have received notice from a Lender prior to the proposed date of any Advance of Eurodollar Rate Loans (or, in the case of any Advance of Base Rate Loans, prior to 2:00 p.m. (New York time) on the date of such Advance) that such Lender will not make available to Administrative Agent such Lender's share of such Advance, Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.1.2 (or, in the case of an Advance of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.1.2) and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Advance available to Administrative Agent, then such Lender and Borrowers severally agree to pay to Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to Borrowers to but excluding the date of payment to Administrative Agent, at (a) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined

by Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by Administrative Agent in connection with the foregoing, and (b) in the case of a payment to be made by Borrowers, the interest rate applicable to Base Rate Loans. If Borrowers and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to each Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Advance to Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Advance. Any payment by Borrowers shall be without prejudice to any claim Borrowers may have against a Lender that shall have failed to make such payment to Administrative Agent.

5.1.3. Payments Accompanied by Interest. All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

5.1.4. Payments by Borrower; Presumptions by Administrative Agent. Unless Administrative Agent shall have received notice from Borrowers prior to the date on which any payment is due to Administrative Agent for the account of Lenders or Issuing Bank hereunder that Borrowers will not make such payment, Administrative Agent may assume that Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to Lenders or Issuing Bank, as the case may be, the amount due. In such event, if Borrowers have not in fact made such payment, then each of Lenders or the Issuing Bank, as the case may be, severally agrees to repay to Administrative Agent forthwith on demand the amount so distributed to such Lender in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation. A notice from Administrative Agent to any Lender, the Issuing Bank or Borrower Agents with respect to any amount owing under this Section 5.1.4 shall be conclusive, absent manifest error.

5.1.5. Failure to Satisfy Conditions Precedent. If any Lender makes available to Administrative Agent funds for any Advance to be made by such Lender as provided in the foregoing provisions of this Section 5, and such funds are not made available to Borrowers by Administrative Agent because the conditions to the applicable Advance set forth in Section 6.2 or Section 6.3, as applicable, are not satisfied or waived in accordance with the terms hereof, Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

5.1.6. Obligations of Lenders Several. The obligations of Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments pursuant to Section 14.2.2 are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 14.2.2 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 14.2.2.

5.1.7. Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

5.1.8. Consent to Charge of Borrower Collateral Accounts. Each Borrower hereby authorizes Administrative Agent to instruct Collateral Agent to, upon the failure by Borrowers to pay any amount due hereunder when the same becomes payable, instruct the Depositary to, pursuant to the terms of Depositary Agreement, charge Borrower Collateral Accounts in order to cause timely payment of such unpaid amounts to be made to Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

5.1.9. Borrower Setoff; Counterclaim. Each Borrower consents to the following Section 5.5.5 and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to such foregoing arrangements may exercise against any Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

5.2. Repayment of Loans. The Outstanding Amount as well as all other amounts due and payable under the Loan Documents shall be due and payable on the Maturity Date, unless payment is sooner required or accelerated hereunder in which case such Outstanding Amount shall be due and payable on such sooner or accelerated date.

5.2.1. Mandatory Prepayments.

(a) If on any date the Aggregate Usage exceeds the then applicable Borrowing Base (including if due to the exclusion of a Watched Loan from the calculation of the Borrowing Base, reductions in any Applicable Valuation Percentages, reductions in Modeled Ground Lease Rents or a Collateral Release, in each case, pursuant to Section 8.1), Borrowers shall prepay the Loans in an amount sufficient to reduce the Aggregate Usage to the then applicable Borrowing Base amount as follows:

If on any date the Aggregate Usage:

(i) is greater than 105% of the current Borrowing Base amount as determined by reference to the most recently delivered Borrowing Base Certificate (the "Initial Borrowing Base Certificate"), then Borrowers shall, no later than the earlier of (A) five (5) Business Days from either the Administrative Agent's written approval of the Initial Borrowing Base Certificate

pursuant to Section 8.1.3 or its delivery of a revised certificate in response to the Initial Borrowing Base Certificate and (B) the first Business Day of the calendar month that immediately succeeds the month in which the Initial Borrowing Base Certificate was delivered to the Administrative Agent (the "Prepay Period") prepay the outstanding principal amount of the Loans in an amount necessary to reduce the Aggregate Usage to an amount less than or equal to 100% of such Borrowing Base amount; provided that Borrowers may request that an Approved Financing, Cash, and/or Cash Equivalents, in each case, not previously included within the Initial Borrowing Base Certificate calculation, be added to the Borrowing Base as Eligible Collateral prior to the expiration of the Prepay Period. In the event that such Approved Financing if added to the Borrowing Base using an agreed BB Nominal Value and BB Adjusted Value (together with any Cash and Cash Equivalents added to the Borrowing Base as permitted hereunder), would cause the Borrowing Base to equal or exceed the Aggregate Usage, as evidenced by a new Borrowing Base Certificate that has been approved by Administrative Agent (the "Supplemental Borrowing Base Certificate"), and such new Approved Financing, Cash and/or Cash Equivalents is subsequently added to the Borrowing Base (following the satisfaction of conditions precedent set forth in this Agreement including, without limitation Section 6.2 with respect to Approved Financings) as an Approved Additional Collateral Event prior to the expiration of the Prepay Period, Borrowers will no longer be obligated to prepay the Loans as a result of the original over-advance; provided that if, following the approval of the Supplemental Borrowing Base Certificate and addition to the Borrowing Base of such new Approved Financing, Cash and/or Cash Equivalents, the Aggregate Usage would still exceed the Borrowing Base amount as determined pursuant to the Supplemental Borrowing Base Certificate, Administrative Agent may, and at the request of Borrower Agent (so long as no Event of Default has occurred and is then continuing) shall, immediately thereafter apply any and all funds in Borrower Collateral Accounts to prepay the Loans until such time (but in no event later than the expiration of the Prepay Period) as the Aggregate Usage is equal to or less than the Borrowing Base amount; provided further that, nothing herein shall relieve the Borrowers of their obligation to repay the Loans no later than the expiration of the Prepay Period if the inclusion of an Approved Financing, Cash, Cash Equivalents and/or sweeping of the Borrower Collateral Accounts do not otherwise reduce the Aggregate Usage to an amount less than or equal to the Borrowing Base as determined by reference to the Initial Borrowing Base Certificate or the Supplemental Borrowing Base Certificate if an Approved Financing, Cash and/or Cash Equivalents was added to the Borrowing Base prior to the end of the Prepay Period. To the extent the provisions of this Section 5.2.1(a)(i) are applicable, Borrowers shall indicate to Administrative Agent on each date a Borrowing Base Certificate is delivered whether Borrowers will elect to provide new Approved Financings, Cash or Cash Equivalents or otherwise prepay the Loans; or

(ii) is greater than 100% but equal to or less than 105% of the then current Borrowing Base amount as determined by reference to the most recently delivered Borrowing Base Certificate, then, Borrowers shall cause all amounts on deposit in Borrower Collateral Accounts to be applied on (I) the earlier of the (x) Payment Date immediately following the delivery of such Borrowing Base Certificate and (y) the date that is five (5) Business Days after the approval by the Administrative Agent of such Borrowing Base Certificate or Administrative Agents delivery of a revised certificate in response to such Borrowing Base Certificate and (II) on each Payment Date thereafter, in each case, to prepay the principal amount of the Loan Facility in accordance with the terms of the Depositary Agreement until such time as the Aggregate Usage is equal to or less than 100% of the then current Borrowing Base amount,

(b) If on any date, the Interest Service Coverage Ratio as of the end of the most recent Interest Coverage Calculation Period is less than the Interest Service Coverage Ratio Threshold for such Interest Coverage Calculation Period, Borrowers shall, no later than five (5) Business Days after the last day of such period, prepay the outstanding principal amount of the Loans in an amount sufficient to cause such Interest Service Coverage Ratio to be at least equal to such Interest Service Coverage Ratio Threshold, as evidenced by a new Borrowing Base Certificate that has been delivered by Borrowers to Administrative Agent following such payment, and subsequently approved by Administrative Agent.

(c) All of the Loans shall become due and payable in full and Borrowers shall repay all Loans in full immediately upon the consummation of a merger or consolidation of any Obligor not permitted under Section 15(b)(ix) of the Guaranty or an acquisition by any Obligor not permitted under Section 15(b)(x) of the Guaranty.

(d) On each Payment Date and after giving effect to the Scheduled Amortizing Loan Repayment in Section 5.2.3 due and payable on such date, the Borrowers shall prepay the outstanding principal amount of the Amortizing Loan (plus, without duplication, any accrued interest on the amount being prepaid), in an amount equal to the difference between (if a positive number) (x) 100% of the amount on deposit in the Amortizing Loan Revenue Account following the application of proceeds pursuant to clauses (i) and (ii) of Section 3.2 of the Depositary Agreement and (y) an amount, as determined by the Borrower and the Administrative Agent, up to a maximum of three (3) months of estimated interest on the Amortizing Loan.

(e) Any such Mandatory Prepayment shall be applied as specified in Section 5.5.

5.2.2. Voluntary Prepayments.

(a) On any day, Borrowers may, at its option, prepay the Loans, together with accrued interest thereon, in whole or in part, without penalty or premium except as set forth in Section 3.8 ("Voluntary Prepayment").

(b) All such Voluntary Prepayments shall be made only upon prior irrevocable written notice given to Administrative Agent not less than (i) if the Loans being prepaid are Eurodollar Rate Loans, by 2:00 p.m. (New York time) three (3) Business Days' prior to the requested date of prepayment and (ii) if the Loans being prepaid are Base Rate Loans, by 2:00 p.m. (New York time) on the date of prepayment; provided that, such irrevocable written notice shall specify the Loans being prepaid and the amount of such prepayment (and Administrative Agent will promptly transmit such notice by facsimile or telephone to each Lender); provided further that any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof and any prepayment of

Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Any such Voluntary Prepayment shall be applied as specified in Section 5.5.

5.2.3. Scheduled Amortizing Loan Repayments. The Borrowers shall repay the outstanding principal amount of the Amortizing Loan on each Amortizing Loan Payment Date in an amount such that the outstanding principal amount of the Amortizing Loan after giving effect to such repayment shall be less than or equal to the Amortizing Loan Target Debt Balance applicable to such Amortizing Loan Payment Date. Any such Scheduled Amortizing Loan Repayment shall be applied as specified in Section 5.5.

5.3. Payment of Other Obligations. Obligations other than Loans and Extraordinary Expenses, shall be paid by Borrowers as provided in the Loan Documents or, if no payment date is specified, on demand.

5.4. Marshaling; Payments Set Aside. None of Administrative Agent, Issuing Banks or Lenders shall be under any obligation to marshal any assets in favor of any Obligor or against any Obligations. If any payment by or on behalf of Borrowers is made to Administrative Agent, any Issuing Bank or any Lender, or if Administrative Agent, or any Lender or Issuing Bank exercises a right of setoff, and any of such payment or setoff is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent, such Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other Person, then the Obligation originally intended to be satisfied, and all Liens, rights and remedies relating thereto, shall be revived and continued in full force and effect as if such payment or setoff had not occurred.

5.5. Application and Allocation of Payments.

5.5.1. Payments Generally. Payments made by Borrowers hereunder shall be applied in accordance with the terms of the Depositary Agreement. Prior to an Event of Default and once received in accordance with the terms of the Depositary Agreement, any Mandatory Prepayments required to be paid pursuant to Section 5.2.1(d) or Scheduled Amortizing Loan Repayments required to be paid pursuant to Section 5.2.3 shall, in each case, be applied exclusively to reduce the outstanding principal amount of the Amortizing Loan.

5.5.2. Post-Default Allocation. During an Event of Default, monies to be applied to the Obligations, whether arising from payments by Obligors, realization on Collateral, setoff or otherwise, shall be allocated in accordance with Section 4.4(c) of the Depositary Agreement.

5.5.3. Reduction of Principal. Notwithstanding anything to the contrary contained herein, the Outstanding Amount shall be reduced in connection with and in an amount equal to any Voluntary Prepayment, Mandatory Prepayment or Scheduled Amortizing Loan Repayment of the principal amount of the Loan.

5.5.4. Erroneous Application. Administrative Agent shall not be liable for any application of amounts made by it in good faith and, if any such application is subsequently determined to have been made in error, the sole recourse of any Lender or other Person to which such amount should have been made shall be to recover the amount from the Person that actually received it (and, if such amount was received by a Secured Party, the Secured Party agrees to return it).

5.5.5. Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of Loans made by it, or the participations in L/C Obligations held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then such Lender receiving such greater proportion shall (a) notify Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by all Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section 5.5.5 shall not be construed to apply to (i) any payment made by or on behalf of such Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) (ii) the application of Cash Collateral provided for in Section 2.4.21 or 2.4.23, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations to any assignee or participant, other than an assignment to a Borrower (as to which the provisions of this Section 5.5.5 shall apply).

Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrowers' rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Borrower in the amount of such participation.

5.6. Evidence of Debt; Register; Lender's Books and Records.

5.6.1. Evidence of Debt. The Advances and L/C Credit Extensions made by each Lender shall be evidenced by one or more

accounts or records maintained by such Lender and by Administrative Agent in the ordinary course of business. The accounts or records maintained by Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Advances and L/C Credit Extensions made by Lenders to Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of Administrative Agent in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

5.6.2. Register. Administrative Agent (or its agent or sub-agent appointed by it) shall maintain at its Principal Office a register for the recordation of the names and addresses of each Lender and the Loans and L/C Obligations of each Lender from time to time (the "Register"). The Register shall be available for inspection by Borrowers or Lenders (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Loans in accordance with the provisions of this Section 5.6.2, and each repayment or prepayment in respect of the Outstanding Amount, and any such recordation shall be conclusive and binding on Borrowers and Lenders, absent manifest error; provided that failure to make any such recordation, or any error in such recordation, shall not affect any Borrower's Obligations in respect of any Loan. Each Borrower hereby designates Administrative Agent to serve as such Borrower's agent solely for purposes of maintaining the Register as provided in this Section 5.6.2, and each Borrower hereby agrees that, to the extent Administrative Agent serves in such capacity, Administrative Agent and its officers, directors, employees, agents, sub-agents and affiliates shall constitute "Indemnitees."

5.7. Taxes. For purposes of this Section, the term "Lender" includes any Issuing Bank.

5.7.1. Payments Free of Taxes; Obligation to Withhold; Tax Payment.

(a) All payments of Obligations by Obligors shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If Applicable Law (as determined by Administrative Agent in its sole discretion exercised in good faith) requires the deduction or withholding of any Tax from any such payment by Administrative Agent or an Obligor, then Administrative Agent or such Obligor shall be entitled to make such deduction or withholding based on information and documentation provided pursuant to Section 5.8.2.

(b) If Administrative Agent or any Obligor is required by the Code to withhold or deduct Taxes, including backup withholding and withholding Taxes, from any payment, then (i) Administrative Agent shall pay the full amount that it determines is to be withheld or deducted to the relevant Governmental Authority pursuant to the Code, and (ii) to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(c) If Administrative Agent or any Obligor is required by any Applicable Law other than the Code to withhold or deduct Taxes from any payment, then (i) Administrative Agent or such Obligor, to the extent required by Applicable Law, shall timely pay the full amount to be withheld or deducted to the relevant Governmental Authority, and (ii) to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

5.7.2. Payment of Other Taxes. Without limiting the foregoing, Borrowers shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at Administrative Agent's option, timely reimburse Administrative Agent for payment of, any Other Taxes.

5.7.3. Tax Indemnification.

(a) Each Borrower shall jointly and severally indemnify and hold harmless each Recipient against any Indemnified Taxes (including those imposed or asserted on or attributable to amounts payable under this Section 5.7) payable or paid by a Recipient or required to be withheld or deducted from a payment to a Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. To the extent that any Lender fails for any reason to pay indefeasibly to Administrative Agent as required pursuant to this Section 5.7, such Lender shall become a Defaulting Lender, and each Borrower shall indemnify and hold harmless Administrative Agent against such amount. Each Borrower shall make payment in accordance with Section 3.4 for any amount or liability payable under this Section 5.7. A certificate as to the amount of such payment or liability delivered to Borrower Agent by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of any Recipient, shall be conclusive absent manifest error.

(b) Each Lender shall indemnify and hold harmless, on a several basis, (i) Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent Borrowers have not already paid or reimbursed Administrative Agent therefor and without limiting Borrowers' obligation to do so), (ii) Administrative Agent and Obligors, as applicable, against any Taxes attributable to such Lender's failure to maintain a Participant register as required hereunder, and (iii) Administrative Agent and Obligors, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent or an Obligor in connection with any Obligations, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Lender shall make payment after demand for any amount or liability payable under this Section 5.7. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error.

5.7.4. Evidence of Payments. If Administrative Agent or an Obligor pays any Taxes pursuant to this Section 5.7, then upon request, Administrative Agent shall deliver to Borrower Agent or Borrower Agent shall deliver to Administrative Agent, respectively, a copy of

a receipt issued by the appropriate Governmental Authority evidencing the payment, a copy of any return required by Applicable Law to report the payment, or other evidence of payment reasonably satisfactory to Administrative Agent or Borrower Agent, as applicable. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 5.7.4.

5.7.5. Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, nor have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of a Lender. If a Recipient determines in its discretion that it has received a refund of any Taxes as to which it has been indemnified by Borrowers or with respect to which Borrowers have paid additional amounts pursuant to this Section 5.7, it shall pay Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by Borrowers with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that Borrowers agree, upon request by the Recipient, to repay the amount paid over to Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient if the Recipient is required to repay such refund to the Governmental Authority. Notwithstanding anything herein to the contrary, no Recipient shall be required to pay any amount to Borrowers if such payment would place the Recipient in a less favorable net after-Tax position than it would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. In no event shall Administrative Agent or any Recipient be required to make its Tax returns (or any other information relating to its Taxes that it deems confidential) available to any Obligor or other Person.

5.7.6. Survival. Each party's obligations under this Section 5.7 and Section 5.8 shall survive the resignation or replacement of Administrative Agent or any assignment of rights by or replacement of a Lender, the termination of the Commitments, and the repayment, satisfaction, discharge or Full Payment of any Obligations.

5.8. Lender Tax Information. For purposes of this Section, the term "Lender" includes any Issuing Bank.

5.8.1. Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower Agent and Administrative Agent, at the time or times reasonably requested by Borrower Agent or Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower Agent or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower Agent or Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Borrower Agent or Administrative Agent as will enable Borrower Agent or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 5.8.2(a), (b) and (d) below) shall not be required if in Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

5.8.2. Documentation. Without limiting the generality of the foregoing, if any Borrower is a U.S. Person:

(a) any Lender that is a U.S. Person shall deliver to Borrower Agent and Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower Agent or Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower Agent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower Agent or Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such Tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate in the form of Exhibit D-7A to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code ("U.S. Tax Compliance Certificate"), and (y) executed originals of IRS Form W-8BEN or IRS Form W-BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-BEN-E, a U.S. Tax Compliance Certificate substantially in the form

of Exhibit D-7B or Exhibit D-7C, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-7D on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower Agent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower Agent or Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit Borrower Agent or Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower Agent and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower Agent or Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower Agent or Administrative Agent as may be necessary for Borrower Agent and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

5.8.3. Redelivery of Documentation. Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 5.8 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower Agent and Administrative Agent in writing of its legal inability to do so.

5.9. Mitigation Obligations; Replacement of Lenders. For purposes of this Section, the term "Lender" includes any Issuing Bank.

5.9.1. Designation of a Different Lending Office. If any Lender requests compensation under Section 3.7, or requires Borrowers to pay any Indemnified Taxes or additional amounts to any Lender, Issuing Bank or any Governmental Authority for the account of any Lender or Issuing Bank pursuant to Section 5.7, or if any Lender gives a notice pursuant to Section 3.5, then at the request of Borrowers such Lender or Issuing Bank, as applicable, shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or Issuing Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.7 or 5.7, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.5, as applicable, and (ii) in each case, would not subject such Lender or Issuing Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or Issuing Bank, as the case may be. Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender or any Issuing Bank in connection with any such designation or assignment.

5.9.2. Replacement of Lenders. If any Lender requests compensation under Section 3.7, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.7 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 5.9.1, Borrowers may replace such Lender in accordance with Section 13.4.

5.9.3. No Waiver. Notwithstanding anything in this Section 5.9, any replacement of an affected Lender shall not be deemed to be a waiver of any rights that any Borrower, any Agent or any other Lender shall have against such affected Lender.

5.9.4. Changes to Commitment. No amount of the applicable Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this Section 5.9, performance by each Borrower of its obligations under this Agreement and the other Loan Documents shall not be excused or otherwise modified, as a result of any default in the making of an Advance (a "Funding Default") or the operation of this Section 5.9. The rights and remedies against a Defaulting Lender under this Section 5.9 are in addition to other rights and remedies that each Borrower may have against such Defaulting Lender with respect to any Funding Default and that Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

5.10. Nature and Extent of Each Borrower's Liability.

5.10.1. Joint And Several Liability. Each Borrower agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to each Agent and Lenders the prompt payment and performance of, all Obligations and all agreements under the Loan Documents. Each Borrower agrees that its guaranty obligations hereunder constitute a continuing guaranty of payment and not of collection, that such obligations shall not be discharged until Full Payment of all the Obligations, and that such obligations are absolute and unconditional, irrespective of (a) the genuineness, validity, regularity, enforceability, subordination or any future modification of, or change in, any Obligations or Loan Document, or any other document, instrument or agreement to which any Obligor is or may become a party or be bound; (b) the absence of any action to enforce this Agreement (including this Section 5.10) or any other Loan Document, or any waiver, consent or indulgence of any kind by Agent or any Lender with respect thereto; (c) the existence, value or condition of, or failure to perfect a Lien or to preserve rights against, any security or guaranty for the Obligations or any action, or the absence of any action, by any Agent or any Lender in respect thereof (including the release of any security or guaranty); (d) the insolvency of any Obligor; (e) any election by any Agent

or any Lender in an Insolvency Proceeding for the application of Section 1111(b)(2) of the Bankruptcy Code; (f) any borrowing or grant of a Lien by any other Borrower, as debtor-in-possession under Section 364 of the Bankruptcy Code or otherwise; (g) the disallowance of any claims of Agent or any Lender against any Obligor for the repayment of any Obligations under Section 502 of the Bankruptcy Code or otherwise; or (h) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, except Full Payment of all Obligations.

5.10.2. Waivers.

(a) Each Borrower expressly waives all rights that it may have now or in the future under any statute, at common law, in equity or otherwise, to compel Agents or Lenders to marshal assets or to proceed against any Obligor, other Person or security for the payment or performance of any Obligations before, or as a condition to, proceeding against such Borrower. Each Borrower waives all defenses available to a surety, guarantor or accommodation co-obligor other than Full Payment of all Obligations and waives, to the maximum extent permitted by law, any right to revoke any guaranty of any Obligations as long as it is a Borrower. It is agreed among each Borrower, Agents and Lenders that the provisions of this Section 5.10 are of the essence of the transaction contemplated by the Loan Documents and that, but for such provisions, Agents and Lenders would decline to make Loans. Each Borrower acknowledges that its guaranty pursuant to this Section 5.10 is necessary to the conduct and promotion of its business, and can be expected to benefit such business.

(b) Agents and Lenders may, in their discretion, pursue such rights and remedies as they deem appropriate, including realization upon Collateral by judicial foreclosure or nonjudicial sale or enforcement, without affecting any rights and remedies under this Section 5.10. If, in taking any action in connection with the exercise of any rights or remedies, any Agent or any Lender shall forfeit any other rights or remedies, including the right to enter a deficiency judgment against any Borrower or other Person, whether because of any Applicable Laws pertaining to "election of remedies" or otherwise, each Borrower consents to such action and waives any claim based upon it, even if the action may result in loss of any rights of subrogation that any Borrower might otherwise have had. Any election of remedies that results in denial or impairment of the right of any Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Obligations. Each Borrower waives all rights and defenses arising out of an election of remedies, such as nonjudicial foreclosure with respect to any security for the Obligations, even though that election of remedies destroys such Borrower's rights of subrogation against any other Person. Agents may bid all or a portion of the Obligations at any foreclosure, trustee or other sale, including any private sale, and the amount of such bid need not be paid by Agents but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether any Agent or any other Person is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral, and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this Section 5.10, notwithstanding that any present or future law or court decision may have the effect of reducing the amount of any deficiency claim to which any Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

5.10.3. Extent of Liability; Contribution.

(a) Notwithstanding anything herein to the contrary, each Borrower's liability under this Section 5.10 shall be limited to the greater of (i) all amounts for which such Borrower is primarily liable, as described below, and (ii) such Borrower's Allocable Amount.

(b) If any Borrower makes a payment under this Section 5.10 of any Obligations (other than amounts for which such Borrower is primarily liable) (a "Guarantor Payment") that, taking into account all other Guarantor Payments previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payments in the same proportion that such Borrower's Allocable Amount bore to the total Allocable Amounts of all Borrowers, then such Borrower shall be entitled to receive contribution and indemnification payments from, and to be reimbursed by, the other Borrower for the amount of such excess, ratably based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment. The "Borrower Allocable Amount" for any Borrower shall be the maximum amount that could then be recovered from such Borrower under this Section 5.10 without rendering such payment voidable under any Fraudulent Transfer Law.

(c) Nothing contained in this Section 5.10 shall limit the liability of any Borrower to pay Loans made directly or indirectly to that Borrower (including Loans advanced to any other Borrower and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower), and all accrued interest, fees, expenses and other related Obligations with respect thereto, for which such Borrower shall be primarily liable for all purposes hereunder.

5.10.4. Joint Enterprise. Each Borrower has requested that Agents and Lenders make this Loan Facility available to Borrowers on a combined basis, in order to finance Borrowers' business most efficiently and economically. Borrowers' business is a mutual and collective enterprise, and the successful operation of each Borrower is dependent upon the successful performance of the integrated group. Borrowers believe that extension of the Loan Facility will enhance the business of each Borrower and ease administration of the Loan Facility, all to their mutual advantage. Borrowers acknowledge that Agents' and Lenders' willingness to extend credit and to administer the Collateral on a combined basis hereunder is done solely as an accommodation to Borrowers and at Borrowers' request.

5.10.5. Subordination. Each Borrower hereby subordinates any claims, including any rights at law or in equity to payment, subrogation, reimbursement, exoneration, contribution, indemnification or set off, that it may have at any time against any other Obligor, howsoever arising, to the Full Payment of all Obligations.

5.11. Fraudulent Transfer Laws. Anything contained in this Agreement and the other Loan Documents to the contrary notwithstanding, the Obligations of Borrowers hereunder, solely to the extent that such Borrower did not receive proceeds of Loans from any borrowing hereunder, shall be limited to a maximum aggregate amount equal to the largest amount that would not render its Obligations

hereunder subject to avoidance as a fraudulent transfer or conveyance under §548 of the Bankruptcy Code, 11 U.S.C. § 548, or any applicable provisions of comparable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of Borrowers, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of Borrowers in respect of intercompany Debt to any other Obligor or Affiliates of any other Obligor to the extent that such Debt would be discharged in an amount equal to the amount paid by such Obligor hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of Borrowers pursuant to (i) Applicable Law or (ii) any agreement providing for an equitable allocation among an Obligor and other Affiliates of any Obligor of Obligations arising under guaranties by such parties.

5.12. Subrogation. Until Full Payment of all the Obligations, each Borrower shall withhold exercise of any right of subrogation, contribution or any other right to enforce any remedy which it now has or may hereafter have against any other Obligor. Each Borrower further agrees that, to the extent the waiver of its rights of subrogation, contribution and remedies as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights such Borrower may have against any other Obligor, and any collateral or security therefor, shall be junior and subordinate to any rights Collateral Agent may have against the other Obligor, or any such collateral or security (or the underlying assets therefor).

SECTION 6. CONDITIONS PRECEDENT

6.1. Effective Date. The effectiveness of this Agreement shall be subject to the satisfaction (or waiver by Administrative Agent and Lenders) of the following conditions precedent, each of which must be to the satisfaction of the Administrative Agent and Lenders in their sole discretion (the "Effective Date"):

6.1.1. Loan Documents. The parties thereto shall have duly executed the following Loan Documents: this Agreement, each Guaranty, each Security Document (other than the Paying Agency Agreement), the Fee Letters, the Approved Bank Side Letter, each Borrower Note requested by any Lender, each of which shall be in full force and effect, and Administrative Agent shall have received sufficient copies of each such agreement.

6.1.2. KYC Requirements. Administrative Agent and each Lender shall have received all documentation and other information required by any Governmental Authority with respect to each Obligor under applicable "know-your-customer" and other Anti-Terrorism and Money Laundering Laws.

6.1.3. Certificates.

(a) Borrowers shall have delivered to Administrative Agent a fully executed Borrower Certificate, together with all attachments thereto.

(b) Each Guarantor shall have delivered to Administrative Agent a fully executed Guarantor Certificate, together with all attachments thereto.

(c) The Pledgors (other than HA LLC) shall have delivered to Administrative Agent a fully executed Pledgor Certificate, together with all attachments thereto.

6.1.4. Independent Manager. Each Borrower shall have appointed an Independent Manager.

6.1.5. Organizational Documents; Incumbency. Administrative Agent shall have received (a) in respect of each Obligor, copies of its Organizational Documents (including any amendments thereto) and, to the extent applicable, certified within ten (10) Business Days of the Effective Date by the appropriate Governmental Authority; (b) signature and incumbency certificates of its officers; (c) resolutions of its Board of Directors or similar governing body approving and authorizing the execution, delivery and performance of each Loan Document to which it is a party as of the Effective Date, certified as of the Effective Date by its secretary or an assistant secretary of such entity, or of the entity acting on behalf of such entity, as being in full force and effect without modification or amendment; and (d) a good standing certificate from the applicable Governmental Authority of its jurisdiction of incorporation, organization or formation and each jurisdiction in which it is required to be qualified as a foreign corporation or other entity to do business, each dated within ten (10) Business Days of the Effective Date. A list of each jurisdiction of incorporation, organization or formation for each Obligor and each jurisdiction in which any Obligor is qualified as a foreign corporation or other entity to do business is attached hereto as Schedule 6.1.5.

6.1.6. Financial Statements. Administrative Agent shall have received (i) the most recent quarterly 10-Q report filed with the SEC for HA INC (including all subsidiaries on a consolidated basis) and (ii) *pro forma* balance sheet and income statement of each Borrower which financial statements shall be in form and substance satisfactory to Administrative Agent. Each Obligor shall have certified to Administrative Agent that such Obligor's accounting systems and controls and management information systems are satisfactory for financial reporting in accordance with GAAP.

6.1.7. Required Approvals and Consents. Each Obligor shall have obtained all Required Approvals (to the extent required to have been obtained by such time) and all consents of any Persons, in each case that are necessary for its entry into the Loan Documents to which it is a party and implementation of the Loan Facility and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent, and none of which shall be subject to waiting periods or appeal or contain any conditions (copies of which shall have been delivered to Administrative Agent and certified as true and complete by Borrower). No action, request for

stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired.

6.1.8. No Default. No Default or Event of Default shall have occurred and be continuing or would result from the execution, delivery and performance of this Agreement and the other Loan Documents executed and delivered on the Effective Date (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers).

6.1.9. Representations and Warranties. Each of the representations and warranties made (or deemed made) by any Obligor in any Loan Document shall be true and correct as of the Effective Date, except to the extent such representation or warranty is made only as of a specific date or time (in which event such representation or warranty shall be true and correct as of such date or time).

6.1.10. Due Diligence. Lenders and Administrative Agent shall have each completed a satisfactory due diligence review of the Loan Facility contemplated hereby and all other matters related thereto, including (a) the review of the business, operations, assets and liabilities of each Obligor, (b) the accuracy in all material respects of all information disclosed to Administrative Agent and Lenders prior to the execution and delivery of the Loan Documents, and (c) the satisfaction with any changes or developments, or any new additional information discovered by either Administrative Agent or each Lender after completion of such due diligence review, after the Effective Date regarding any Obligor that (i) either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (ii) purports to adversely affect the Loan Facility (including Administrative Agent's consideration of any Market Disruption).

6.1.11. Legal Opinions. Administrative Agent shall have received customary legal opinions regarding this Agreement and each other Loan Document executed on or prior to the Effective Date, as follows, (a) an opinion of Morrison & Foerster LLP, as counsel to Borrowers, in form and substance satisfactory to the Administrative Agent and (b) an opinion of the General Counsel of HA LLC, in form and substance satisfactory to the Administrative Agent.

6.1.12. Organizational and Capital Structure. Administrative Agent shall have received a description of the organizational structure and capital structure of each Borrower, in each case reasonably satisfactory to Administrative Agent.

6.1.13. Separateness Undertakings. Borrowers shall have delivered to Administrative Agent a compliance certificate as evidence that the Organizational Documents of each Borrower include provisions for bankruptcy remoteness, including independent director or member requirements, or otherwise acceptable to Administrative Agent.

6.1.14. Fees. Administrative Agent shall have received all fees and amounts payable on or before the Effective Date referred to herein and all expenses payable pursuant to any Loan Document which have accrued to the Effective Date.

6.1.15. Solvency Certificate. Administrative Agent shall have received a Solvency Certificate of each Obligor in scope and substance reasonably satisfactory to Administrative Agent and each Lender, and demonstrating that after giving effect to the transactions contemplated by the Loan Documents and any rights of contribution, each Obligor will be Solvent.

6.1.16. Collateral. In order to create in favor of Collateral Agent (for the benefit of the Secured Parties) valid, perfected First Priority Liens in the Collateral, subject to Permitted Liens, Borrowers shall have delivered to Collateral Agent evidence satisfactory to Collateral Agent of the compliance by the Obligors of their respective obligations under the Security Agreement, and the other Security Documents to which they are a party (including their obligations to execute and deliver (a) UCC financing statements and the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other Lien filings on any of the assets of Obligors (other than the Guarantors) except for Liens pursuant to the Loan Documents, (b) originals of securities, (c) instruments and chattel paper, and (d) any agreements governing deposit and/or securities accounts as provided therein).

6.1.17. Service of Process Appointment: Satisfactory evidence that each Borrower has irrevocably appointed an agent for service of process in the State of New York in accordance with Section 14.13.1, together with evidence of payment of all required appointment fees for each Obligor for a period of one (1) year from the Effective Date.

6.1.18. Effective Date Flow of Funds. Administrative Agent shall have received a fully executed Effective Date Flow of Funds Memo.

6.1.19. Insurance, Policies and Certificates. Administrative Agent shall have received copies of policies or certificates of insurance for the insurance policies carried by or for the benefit of the Borrowers all in compliance with the Insurance Requirements.

6.1.20. Other Documents. Administrative Agent shall have received such other documents, certifications, consents, or other items relating to any Obligor, the Loan Documents, or the matters contemplated by the Loan Documents as Administrative Agent and Required Lenders reasonably request and such other documents as mutually agreed by the parties hereto in advance.

6.1.21. Beneficial Ownership Certification. At least five (5) days prior to the Effective Date, if any of the Borrowers qualify as a "legal entity customer" under the Beneficial Ownership Regulation, it shall have delivered a Beneficial Ownership Certification in relation to such Borrower.

6.1.22. No Material Adverse Effect. Administrative Agent shall have received satisfactory evidence that there is no event or condition, and no fact or circumstance that any Obligor has failed to disclose to Administrative Agent in writing, that, either individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect (and the same shall have been certified by each Obligor (other than the Guarantors), with respect to itself, to the Administrative Agent in a certificate signed by an Authorized Officer of such Obligor

(other than the Guarantors)).

6.1.23. No Litigation. There shall not exist any Adverse Proceeding in respect of any Obligor (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers).

6.2. Conditions to Approved Financings. The obligation of (i) each Lender to provide its Applicable Percentage of a Loan in respect of or in connection with an Approved Financing first becoming part of or joining the Borrowing Base as Eligible Collateral on any Credit Date, or (ii) the Administrative Agent to include an Approved Financing in the calculation of the Borrowing Base as a result of an Approved Additional Collateral Event on any Credit Date, is subject to the satisfaction (or waiver by the Administrative Agent) of the following conditions precedent, each of which must be to the satisfaction of Administrative Agent in its sole discretion:

6.2.1. Credit Date Certificates. Each of the Borrowers, Guarantor and the Pledgors shall have delivered to the Administrative Agent an undated, fully executed Credit Date Certificate.

6.2.2. Organizational Documents; Incumbency. Administrative Agent shall have received in respect of the applicable Borrower, (i) resolutions of its board of directors or similar governing body approving and authorizing the execution, delivery and performance of each Loan Document to which it is a party as well as such other Underlying Financing Documents to which it is a party, certified as of the applicable Credit Date by its secretary or an assistant secretary of such entity, or of the entity acting on behalf of such entity, as being in full force and effect without modification or amendment (which may be standing resolutions authorizing Approved Financings generally) and (ii) if reasonably requested by the Administrative Agent, a good standing certificate from the applicable Governmental Authority of its jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is required to be qualified as a foreign corporation or other entity to do business, each dated within ten (10) Business Days of the applicable Credit Date.

6.2.3. Approval. If the applicable Underlying Financing is a Proposed Nominated Financing, approval thereof as an Approved Financing shall have been granted in accordance with Section 7.2.1. If the applicable Underlying Financing is an Approved Financing (Deferred Fee Investments), the terms, conditions and criteria set forth on Part V to Exhibit A of the Deferred Fee Investments UFS shall have been satisfied to the reasonable satisfaction of the Administrative Agent.

6.2.4. Notice of Borrowing. With respect to any requested Advance, Administrative Agent shall have received a Notice of Borrowing signed by an Authorized Officer of Borrower Agent in accordance with Section 4.1.1.

6.2.5. Borrower Note. With respect to the first Advance under the Loan Facility after the Effective Date, Borrowers shall have delivered to each Lender, if requested, a Borrower Note in accordance with Section 2.2 of this Agreement.

6.2.6. Other Documents. Administrative Agent shall have received, with respect to such Approved Financings, (a) an update to the Underlying Financing Specification with respect to such Approved Financing, revised to include each additional Material Underlying Financing Document not previously disclosed to Administrative Agent, (b) an Intercompany Assignment Agreement (if applicable) and (c) such other documents, certifications, consents, or other items relating to the relevant Approved Financing, as required under the Underlying Financing Specification (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.7. Legal Opinions. Administrative Agent shall have received legal opinions regarding the Material Underlying Financing Documents and Underlying Financing Security Documents and the Obligors that are available to Borrowers in connection with the Approved Financing funded from such Advance or included in the Borrowing Base as a result of an Additional Collateral Event.

6.2.8. Fees. Administrative Agent shall have received (a) all expenses payable pursuant to any Loan Document which have accrued to the applicable Credit Date and (b) all fees, amounts and expenses payable by the Obligors to Lenders, the Agents, and their respective counsel, advisors and other consultants that are then due and payable under the Loan Documents. Obligors shall have paid all fees, amounts and expenses required to be paid under the Material Underlying Financing Documents.

6.2.9. Representations and Warranties:

(a) Each of the representations and warranties made (or deemed made) by such Borrower, as provided in the Loan Documents, shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of that Credit Date to the same extent as though made on and as of that date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) as of such date or time) (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

(b) Each of the representations and warranties made by each Guarantor under the Guaranty and each other Loan Document to which it is a party shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of that Credit Date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct as of such date or time) to the same extent as though made on and as of that date (and the same shall have been certified by such Guarantor to the Administrative Agent in a certificate signed by an Authorized Officer of such Guarantor delivered pursuant to Section 6.2.1).

(c) Each of the representations and warranties made by each Pledgor (other than HA LLC) under the Loan Documents to which it is a party shall be true and correct in all material respects (unless qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of that Credit Date (except to the extent such representation or warranty is made only as of a specific date or time in which event such representation or warranty shall be true and correct as of such date or time) to the same extent as though made on and as of that date (and the same shall have been certified by such Pledgor (other than HA LLC) to the Administrative Agent in a certificate signed by an Authorized Officer of such Pledgor delivered pursuant to Section 6.2.1)

6.2.10. Updates to Schedules. Any information set forth on the Schedules accompanying Section 9 shall have been updated to reflect (i) any Approved Financing being funded, and (ii) any other material change in the information presented therein (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.11. Collateral Assignment; Assignment; Consent; Notice. Administrative Agent shall have received (a) copies of each duly executed Collateral Assignment and Consent to Collateral Assignment in connection with each such Approved Financing as Administrative Agent shall have requested in Administrative Agent's sole discretion executed on or before such Credit Date and (b) (i) evidence that each applicable Underlying Borrower or Underlying Depositary, as applicable and each applicable Underlying Obligor has received a Notice of Collateral Assignment and (ii) evidence that each applicable Underlying Obligor has received a Notice of Assignment and that such Notice of Assignment directs such Underlying Obligor to make payments to the Agent Master Account (as defined in the Paying Agency Agreement) or the Revenue Account (as defined in the Depositary Agreement).

6.2.12. Lien Search. Administrative Agent shall have received the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other lien filings, if applicable, on the Origination Company and any other Affiliate that subsequently acquired the Underlying Financing prior to such Underlying Financing being acquired by the Borrower, in each case, that constitute a Lien on the Underlying Financing.

6.2.13. Payment Instructions. Administrative Agent shall have received an irrevocable payment instruction (which may be satisfied by the Paying Agency Agreement or the Securities Account Control Agreement) executed by (a) for Approved Financings (G&I), the Paying Agent, and (b) for all other Approved Financings, the Underlying Obligor and/or such other Persons as the Administrative Agent may reasonably request, in each case, regarding each Approved Financing directing that payments to be made from any Underlying Obligor, Underlying Borrower or other Person to any Borrower be made directly into the Revenue Account (as defined in the Depositary Agreement) or in accordance with the Paying Agency Agreement or the Securities Account Control Agreement.

6.2.14. Collateral. In order to create in favor of Collateral Agent (for the benefit of the Secured Parties) valid, perfected First Priority Liens in the Collateral, Borrowers shall have delivered to Collateral Agent evidence satisfactory to Collateral Agent of the compliance by the Obligors of their respective obligations under the Security Documents to which they are a party (including their obligations to execute and deliver (a) originals of securities evidenced by certificates, (b) instruments and chattel paper and (c) any agreements governing deposit and/or securities accounts as provided therein).

6.2.15. Borrowing Base Certificate. Administrative Agent shall have received a duly executed and delivered Borrowing Base Certificate in form and substance satisfactory to it, by 2:00 p.m. (New York time) on the date that is three (3) Business Days prior to the date on which any Advance (or joining of an Approved Financing to the Borrowing Base) is to be made and otherwise in accordance with Section 8.1.

6.2.16. Delayed Draw Financing. With respect to any Approved Financing that is a Delayed Draw Financing, Administrative Agent shall have received (i)(A) if the amount previously funded by the applicable Borrower is less than the Threshold Amount, satisfactory evidence that the applicable Borrower has advanced in full to the applicable Underlying Borrower in such Delayed Draw Financing a total amount equal to the product of the (x) Applicable DD Percentage and (y) the Aggregate DD Amount (the "Initial Borrower Required Amount"), as such amount is set forth in the applicable Underlying Financing Specification (and the same shall have been certified as due by the Borrower Agent to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrower Agent), or (B) if the amount previously funded by the applicable Borrower is greater than or equal to the Threshold Amount, satisfactory evidence that the applicable Borrower has advanced in full to the applicable Underlying Borrower in such Delayed Draw Financing a total amount equal to the product of (x) Borrower Advance Rate and (y) the Scheduled DD Amount as of such Credit Date (as well as the Initial Borrower Required Amount), (ii) a true and complete copy of the request for the Underlying Borrower Advance that was delivered by the applicable Underlying Borrower in connection with such Delayed Draw Financing and the same shall have been certified as due by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1, and (iii) satisfactory evidence that all conditions under the applicable Underlying Financing Documents in connection with the funding of the applicable Underlying Borrower Advance have been satisfied by the Underlying Borrower.

6.2.17. Borrower Funding Amount. Administrative Agent shall have received evidence reasonably satisfactory to it that the portion of the applicable Approved Financing to be financed by the applicable Borrower on or prior to such Credit Date has been fully funded (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.18. Joining Amount. The aggregate Borrowing Base value attributable to all Approved Financings joined on such Credit Date shall not be less than $5,000,000 (or any other amount as the Administrative Agent and the Borrower Agent may mutually agree).

6.2.19. Additional Conditions. If the applicable Underlying Financing is a Proposed Nominated Financing, each Borrower shall have delivered to Administrative Agent satisfactory evidence that each "Additional Terms and Conditions specific to Approved

Financing" identified in the Underlying Financing Specification with respect to such Approved Financing shall have been satisfied (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.2.20. Additional Delayed Financing Conditions. With respect to any Approved Financing that is a Delayed Draw Financing, in the event that the amount previously funded by the applicable Borrower was greater than the Threshold Amount, (i) the Advance on each Credit Date will not exceed an amount equal to the product of (a) the Scheduled DD Amount as of such Credit Date and (b) the Applicable Valuation Percentage; and (ii) after giving effect to the Advance on such Credit Date, the aggregate amount funded by the Lenders with respect to such Delayed Draw Financing will not exceed an amount greater than the product of (a) the Applicable Valuation Percentage and (b) the Aggregate DD Amount. In the event that the amount previously funded by the applicable Borrower was less than the Threshold Amount, then (A) for each Credit Date after the Initial Borrower Required Amount has been fully funded, the Advance to be funded by the Lenders on each Credit Date (but only until the Catch-Up Amount has been fully funded) shall be in an amount equal to the lesser of the (i) un-funded portion of the Catch-Up Amount and (ii) Scheduled DD Amount for such Credit Date; provided that any such funding of an Advance shall be subject to the satisfaction of each of the other conditions set forth in Section 6.3.6, as applicable and (B) each dollar to be funded after the Catch-Up Amount has been fully funded in accordance with the terms of this Agreement (including any amounts that are required to be funded on the Credit Date on which the Catch-Up Amount was fully funded) shall be funded by the Borrowers and the Lender based on the Applicable Valuation Percentage and the Borrower Advance Rate, respectively; provided that, after giving effect to each Advance on a Credit Date, the aggregate amount funded by the Lenders with respect to such Delayed Draw Financing will not exceed an amount greater than the product of (x) the Applicable Valuation Percentage and (y) the Aggregate DD Amount.

6.2.21. No Existing Debt/Liens. Administrative Agent shall have received a certification from Borrowers that (a) neither the Collateral (including the applicable Approved Financing), is subject to any Liens other than Permitted Liens, and (b) no Borrower has any Debt other than Permitted Debt.

6.2.22. No Litigation. Except as shown on Schedule 9.1.13, there are no proceedings or investigations pending or, to such Borrower's Knowledge, threatened against any Borrower that (a) relate to any Loan Documents to which it is a party or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to such Borrower (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.23. No Default. No Default or Event of Default shall have occurred and be continuing or would result from the consummation of the applicable Advance or Additional Collateral Event (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.24. No Material Adverse Effect. During the period commencing on (x) with respect to the initial Advance or Additional Collateral Event hereunder, the Effective Date and ending on the applicable Credit Date and (y) with respect to each Advance and Additional Collateral Event thereafter, the previous Credit Date and ending on the current applicable Credit Date, no event (including a change in Applicable Law) shall have occurred that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.25. Required Approvals. All Required Approvals required for the applicable Approved Financing shall have been received or will be obtained prior to the Credit Date for such Approved Financing, none of which may be subject to waiting periods or appeal, and none of which contain any conditions that will not be met prior to the Credit Date for such Approved Financing (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1). No action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable Governmental Authority to take action to set aside its consent on its own motion shall have expired (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of the Borrowers delivered pursuant to Section 6.2.1).

6.2.26. Aggregate Advances; Aggregate Usage. After giving effect to the Advance or Additional Collateral Event on such Credit Date, (a) the conditions in the proviso to Section 2.1.1 have been satisfied, and (b) the conditions in Section 4.3 have been satisfied.

6.2.27. Additional Conditions to initial Loan. The obligation of each Lender to provide its Applicable Percentage of the initial Loan requested hereunder is subject to the satisfaction (or waiver by Administrative Agent) of the following conditions precedent in addition to the other conditions precedent in this Section 6.2:

(a) The Administrative Agent shall have received the following:

(i) A payoff letter, in form and substance satisfactory to the Administrative Agent, together with UCC-3 termination statements and such other documents requested by the Administrative Agent evidencing the release of Liens under, and termination of, the Loan Documents (as defined in that certain Amended & Restated Loan Agreement (PF) dated as of August 12, 2014) and all commitments thereunder;

(ii) A payoff letter, in form and substance satisfactory to the Administrative Agent, together with UCC-3 termination statements and such other documents requested by the Administrative Agent evidencing the release of Liens under, and termination of, the Intercompany Documents (as defined in that certain Amended & Restated Loan Agreement (PF) dated as of August 12, 2014) and all commitments thereunder;

(iii) The Transfer Documents (if any), pursuant to which the Underlying Financings described therein are transferred from the Borrowers to the transferees identified therein; and

(iv) Any required consents from, or notices to, third parties with respect to the transfers contemplated by the Transfer Documents.

6.2.28. Paying Agency Agreement. Solely with respect to the first Approved Financing (G&I) joined to the Borrowing Base as Eligible Collateral, the Borrowers and each party thereto shall have executed and delivered a Paying Agency Agreement in form and substance satisfactory to the Administrative Agent.

6.3. Approved Subsequent Credit Date. The obligation of each Lender to provide its Applicable Percentage of a Loan on any Approved Subsequent Credit Date is subject to the satisfaction (or waiver by the Administrative Agent) of the following conditions precedent (and no conditions set forth in Section 6.2 shall be applicable except as set forth in this Section 6.3), each of which must be to the satisfaction of Administrative Agent in its sole discretion:

6.3.1. Applicable Conditions Precedent. To the extent applicable, each of the conditions contained in Sections 6.2.1, 6.2.4, 6.2.8, 6.2.9, 6.2.15, 6.2.16, 6.2.17, 6.2.18, 6.2.19, 6.2.20, 6.2.21, 6.2.22, 6.2.23, 6.2.24, and 6.2.26; provided, that (a) the Credit Date Certificate required to be delivered pursuant to Section 6.2.1 shall be delivered no later than three (3) Business Days prior to such date and (b) each Borrowing Base Certificate required to be delivered pursuant to Section 6.2.15 shall be delivered (x) in the case of an Approved Subsequent Credit Date on any Payment Date, in accordance with Section 8.1.1 as it relates to Payment Date Borrowing Base Certificates, and (y) in the case of an Approved Subsequent Credit Date on any day other than a Payment Date, in accordance with Section 6.2.15.

6.3.2. Material Underlying Financing Document Amendments. As of such Approved Subsequent Credit Date, if Administrative Agent has provided written consent pursuant to Section 10.2.18 with respect to any Material Underlying Financing Document included in the related Underlying Financing Specification since execution of such Underlying Financing Specification in accordance with Section 6.2.3 and such written consent contained any conditions with respect to subsequent Advances, all such conditions shall have been satisfied (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.3.3. Organizational Documents. As of such Approved Subsequent Credit Date, there shall have been no material amendment, restatement, supplement or other modification to, or waiver of, any resolutions or Organizational Documents delivered pursuant to Section 6.2.2 (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.3.4. Underlying Financing Specification. As of such Approved Subsequent Credit Date, there shall have been no material amendment, restatement, supplement or other modification to, or waiver of, any material provision of, or attachment to, the Underlying Financing Specification then in effect with respect to the Approved Financing to be funded on such Approved Subsequent Credit Date.

6.3.5. Payment Instructions. As of such Approved Subsequent Credit Date, there shall have been no amendment, restatement, supplement or other modification to, or waiver of, any payment instruction delivered pursuant to Section 6.2.13 (and the same shall have been certified by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1).

6.3.6. Delayed Draw Financings. With respect to any Approved Financing that is a Delayed Draw Financing, Administrative Agent shall have received (i) satisfactory evidence that the applicable Borrower has advanced to the applicable Underlying Borrower an amount equal to its portion, if any, of the Underlying Borrower Advance then due under the Underlying Financing Documents, (ii) a true and complete copy of the request for the Underlying Borrower Advance that was delivered by the applicable Underlying Borrower in connection with such Delayed Draw Financing and the same shall have been certified as due by Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of Borrowers delivered pursuant to Section 6.2.1, and (iii) satisfactory evidence that all conditions to the funding of the applicable Underlying Borrower Advance have been satisfied by the Underlying Borrower.

6.4. Conditions to the Issuance of Letters of Credit. The obligation of an Issuing Bank to provide a L/C Credit Extension is subject to the satisfaction (or waiver by such Issuing Bank) of the following conditions precedent, each of which must be to the satisfaction of such Issuing Bank in its sole discretion:

6.4.1. Letter of Credit Request. The Administrative Agent and applicable Issuing Bank shall have received a request for L/C Credit Extension in accordance with the requirements hereof.

6.4.2. No Default. As of such requested date of issuance, no Default or Event of Default shall have occurred and be continuing or would result from such L/C Credit Extension (and the same shall have been certified by the Borrowers to the Administrative Agent in a certificate signed by an Authorized Officer of such Borrowers).

6.4.3. Representations and Warranties. The representations and warranties of the Borrowers set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of the L/C Credit Extension (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

SECTION 7. UNDERLYING FINANCING

7.1. Underlying Financing.

7.1.1. Effective Date Approved Financings. On the Effective Date, each Effective Date Approved Financing shall be joined to the Borrowing Base as an Approved Financing hereunder.

7.1.2. Proposed Nominated Financing. Borrower Agent may from time to time request financing of a Nominated Financing (each, a "Proposed Nominated Financing") by submitting to Administrative Agent an Underlying Financing Proposal Certificate substantially in the form of *Exhibit A* to Appendix 2, and including all reports, documents and information specified on Appendix 2 to be attached thereto, including the initial draft Underlying Financing Specification, the Underlying Financing Documents and all other documents or information reasonably requested by Administrative Agent (on behalf of the Lenders) in connection with the approval process described in this Section 7.1.2 (a "Proposal Package"). Borrower Agent shall propose an Applicable Valuation Percentage for such Proposed Nominated Financing and may request that the Lenders waive certain Underlying Financing Criteria with respect to such Proposed Nominated Financing. The Administrative Agent and each Lender agrees to review and diligence such Proposed Nominated Financings in good faith and will use commercially reasonable efforts to notify the Borrowers within thirty (30) Business Days after receipt of a Proposal Package of their decision to approve or decline to finance such Proposed Nominated Financing. Any Proposed Nominated Financing approved by the Super-Majority Lenders in their sole discretion shall not be an Excluded Investment and shall be deemed to be an Approved Financing hereunder.

7.1.3. Proposal Packages. The Administrative Agent and Lenders shall only be obligated to consider two Proposal Packages at a time and in no event more than twenty-four (24) Proposal Packages each calendar year; provided, that if two such Proposal Packages are pending review by the Administrative Agent and Lenders, no new Proposal Packages will be submitted or reviewed by them until the earlier of (a) the date that a previously requested Proposal Package pursuant to the terms hereunder has been joined to the Borrowing Base, (b) formally rejected by the Administrative Agent (on behalf of the Lenders), or (c) has been under review by the Administrative Agent (on behalf of the Lenders) for a period of thirty (30) days or more.

7.2. Approval Process.

7.2.1. Notice of Approval of Proposed Nominated Financing. The approval by the Super-Majority Lenders of a Proposed Nominated Financing will be confirmed by a written notice from Administrative Agent to Borrower Agent, which shall be evidenced by Administrative Agent's signature of the applicable Underlying Financing Specification.

7.2.2. Underlying Financing Specification. On or prior to the Credit Date for any Approved Financing, Borrower Agent shall execute and deliver to Administrative Agent an Underlying Financing Specification with respect to the applicable Approved Financing, identifying the applicable Underlying Financing Documents, the applicable Underlying Financing Project Documents and such other information set forth in Appendix 3. Upon execution and delivery of any Underlying Financing Specification by Administrative Agent, the Underlying Financing Specification shall form a part of this Agreement and each of the Loan Documents. The Borrowers and Administrative Agent (acting at the direction of the Required Lenders unless such omission is a result of administrative or clerical error) hereby agree to amend each applicable Underlying Financing Specification to add any Person or document that is mutually agreed after the date hereof as a Material Underlying Financing Participant or Material Underlying Financing Document pursuant to the terms hereof.

SECTION 8. COLLATERAL ADMINISTRATION

8.1. Borrowing Base Certificates.

8.1.1. Borrowing Base Certificate. Borrowers shall calculate Borrowing Base and Availability Amount and deliver to Administrative Agent (and Administrative Agent shall promptly deliver same to Lenders) a Borrowing Base Certificate (%4) in draft form no later than three (3) Business Days prior to each Payment Date (which draft shall reflect what is reasonably anticipated to be the final Borrowing Base Certificate subject only to updates for amounts on deposit in the Revenue Account and any principal, interest and fee invoices issued after the date such draft is required to be delivered and prior to the applicable Payment Date), which shall be in final form and executed and delivered by 12:00 p.m. (New York time) on such Payment Date (such executed Borrowing Base Certificate, a "Payment Date Borrowing Base Certificate"), showing valuations as of the close of business of the last day of the calendar month just ended, (%4) within three (3) Business Days of any event or circumstance in which an Approved Financing has become a Zero Value Approved Financing, showing valuations as of the date such Approved Financing became a Zero Value Approved Financing, (%4) within three (3) Business Days following any other demand by Administrative Agent (which may be requested up to one (1) time per week), showing valuations as of the date of demand, (d) on the date on which any Notice of Borrowing is delivered or as otherwise required pursuant to Section 4.1.1, showing valuations as of a date not more than five (5) Business Days earlier than the actual date of Advance, (e) within three (3) Business Days after any Removal Date, (f) upon Borrowers' request for an Additional Collateral Event, showing valuations as of a date not more than five (5) Business Days prior to the actual inclusion of such Approved Financing in the Borrowing Base and (g) as otherwise required pursuant to the terms of this Agreement.

8.1.2. Certificate Requirements. Each Borrowing Base Certificate shall be in form and substance substantially similar to the form of Borrowing Base Certificate in Exhibit D-1.

8.1.3. Borrowing Base Calculations.

(a) Upon receipt of each fully executed and completed Borrowing Base Certificate, certified by Borrower Agent in a certificate signed by an Authorized Officer of Borrower Agent, Administrative Agent shall, not later than five (5) Business Days after receipt thereof (or in the case of any Borrowing Base Certificate delivered pursuant to Section 4.1.1, three (3) Business Days), review and provide written notice to Borrower Agent of either (i) its approval of the Borrowing Base Certificate, or (ii) its (A) disapproval of any Eligible Collateral proposed to be included in the Borrowing Base, (B) disapproval of any portion of any information, calculation or determination set forth in the Borrowing Base Certificate, together in each case with a description in reasonable detail of the reasons therefor, including with respect to any Watched Loan, (C) adjustment to Borrowers' calculation of Borrowing Base or Availability Amount as a result of an adjustment to the Applicable Valuation Percentage or Modeled Ground Lease Rents of a Watched Loan, (D) disapproval to the extent the calculation is not made in accordance with this Agreement or the Borrowing Base Certificate or (E) rejection of the characterization of an Approved Financing as a Delinquent U.S. Federal Government Contract.

(b) Watched Loans.

(i) The Administrative Agent may (and shall at the request of the Super-Majority Lenders) designate any Approved Financing as a Watched Loan to the extent the Administrative Agent or the Required Lenders, as the case may be, reasonably believes such Approved Financing is subject to any of the events set forth in the definition of "Watched Loan".

(ii) (A) (x) Each Borrower and Administrative Agent (acting at the written direction of Required Lenders) will negotiate in good faith to adjust the Applicable Valuation Percentage and if applicable, the Modeled Ground Lease Rents, of each Watched Loan, upon the initial designation pursuant to Section 8.1.3(b)(i) and following any event, circumstance or condition that is either not known by the Administrative Agent and Lenders at the time of such initial designation or occurs after such designation, in each case, to the extent such event, circumstance or condition would independently satisfy any of the "Watched Loan" conditions as determined by the Required Lenders in good faith; and (y) if such Borrower and Required Lenders are unable to come to an agreement as to the adjustments to be made, such adjustments shall be determined by the Administrative Agent (at the direction of the Required Lenders) and (B) subject to clauses (iii) and (iv) below, the adjustments determined in accordance with sub-clause (A) shall be applied to the Borrowing Base effective on either the date that is ten (10) Business Days after the date on which the parties mutually agree as to such adjustment or if the parties cannot agree, on the date that is ten (10) Business Days after the date on which such adjustment is determined by the Required Lenders.

(iii) Notwithstanding Section 8.1.3(b)(ii), any Approved Financing that becomes a Zero Value Approved Financing shall immediately have its Applicable Valuation Percentage reduced to 0% and Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reduction in accordance with Section 8.1.1(b); provided that if Borrowers believe that an Approved Financing (G&I) that would otherwise constitute a Zero Value Approved Financing satisfies the conditions set forth in clause (A) of the first sentence of the definition of Delinquent U.S. Federal Government Contract, Borrowers shall notify the Administrative Agent of such fact. If the Administrative Agent agrees in writing with Borrowers that such Approved Financing (G&I) is a Delinquent U.S. Federal Government Contract, the Applicable Valuation Percentage of such Approved Financing (G&I) will not be immediately reduced to zero but will instead be reduced in accordance with the timeline set forth in the second sentence of the definition of Delinquent U.S. Federal Government Contract. Each such Applicable Valuation Percentage will be applied to the Borrowing Base Certificate and any valuations contained therein as set forth in such second sentence of such definition. If the Administrative Agent (acting at the direction of the Required Lenders, acting reasonably), does not agree that such Approved Financing (G&I) qualifies as a Delinquent U.S. Federal Government Contract, the Applicable Valuation Percentage for such loan shall be immediately reduced to 0% and treated as a Zero Value Approved Financing and Borrowers shall deliver a revised Borrowing Base Certificate reflecting such reduction and revised Borrowing Base calculation in accordance with Section 8.1.1.

(iv) Notwithstanding Section 8.1.3(b)(ii), the Modeled Ground Lease Rents applicable to any Approved Financing (Land Assets) that becomes a Watched Loan as a result of a Ground Lease payment default described in clause (i) of the definition of "Watched Loan" shall be reduced automatically as follows: (A) by 20%, on the date on which such Approved Financing (Land Assets) becomes a Watched Loan; (B) by an additional 20%, on the date that is thirty (30) days after such Approved Financing (Land Assets) becomes a Watched Loan; and (C) by 100%, on the date that is sixty (60) days after such Approved Financing (Land Assets) becomes a Watched Loan (and upon such 100% reduction, such Approved Financing (Land Assets) shall be a "Zero Value Approved Financing" hereunder), and in each case, Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reductions in accordance with Section 8.1.1(b); provided that, the Modeled Ground Lease Rents of such Ground Lease shall not be reduced under clauses (B) and (C) of this sentence if such payment default is cured on or prior to such thirtieth (30^{th}) or sixtieth (60^{th}) day, as applicable.

(c) The adjusted Borrowing Base calculation and corresponding valuations made by Administrative Agent (at the direction of the Required Lenders) pursuant to Section 8.1.3 shall be binding absent manifest error on Borrowers; provided that Borrowers shall have the right, at their cost and expense, to request that an Independent Appraiser review and value any Watched Loan that has had its Borrowing Base and corresponding valuations adjusted in accordance with Section 8.1.3(b)(ii), and upon such Independent Appraiser completing its review and submitting its valuation, the Midpoint Valuation of such Watched Loan shall be binding and the Borrowers shall submit a revised Borrowing Base Certificate reflecting such Midpoint Valuation.

(d) Any notice delivered by Administrative Agent to Borrower Agent pursuant to Section 8.1.3(a)(ii)(C) or 8.1.3(b) adjusting the Applicable Valuation Percentage, or any component of any of the foregoing shall be deemed, without further act by any party hereto, to be an amendment to the related Underlying Financing Specification.

(e) With respect to any Approved Financing that has become a Watched Loan as a result of the occurrence of an Other Material Underlying Event described in any of clauses (iv) through (vii) of the definition thereof, if either (I) such Approved Financing has not been Resolved prior to the sixtieth (60^{th}) day following such occurrence or (II) the Administrative Agent has otherwise notified Borrowers in writing that such financing must be removed from the Borrowing Base and released from the Collateral (such sixtieth day or the date of receipt of such notice by any Borrower, "Removal Date"), then Borrowers shall not later than three (3) Business Days after such Removal Date cause such Approved Financing to be sold to another Person other than a Borrower, or a Pledgor; provided that and for the avoidance of doubt, any such sale of such Approved Financing may be to a Subsidiary of HA LLC (other than a Borrower or a Pledgor). Upon request thereof from a Borrower, the Administrative Agent will take all actions reasonably necessary to approve and release any such transaction. Such Approved Financing shall be disregarded for purposes of calculating the Borrowing Base from and after the Removal Date. Borrowers shall deliver a new Borrowing Base Certificate to the Administrative Agent no later than three (3) Business Days after the Removal Date calculating the Borrowing Base as of such date without regard to such Approved Financing.

(f) With respect to any Approved Financing (Land Assets) that is subject to a Specified Ground Lease Default, (i) the Applicable Valuation Percentage for such Approved Financing shall be automatically reduced to 0%, (ii) Borrowers shall deliver a revised Borrowing Base Certificate reflecting the adjusted valuation of the Eligible Collateral resulting from such reduction within three (3) Business Days following a Borrower's Knowledge thereof and (iii) if such Borrowing Base Certificate reflects that the Aggregate Usage exceeds the Borrowing Base, the Borrowers shall make a Mandatory Prepayment in accordance with the terms of Section 5.2.1.

(g) The parties hereto acknowledge and agree that, solely for purposes of valuing Approved Financings (Land Assets), the Land Lease Loan shall be resized to take into account any adjustments to the Modeled Ground Lease Rents under this Section 8.1.3, and each Borrowing Base Certificate delivered in connection therewith shall reflect such resizing of the Land Lease Loan.

8.1.4. Release of Collateral.

(a) If a Borrowing Base Certificate is approved by Administrative Agent pursuant to Section 8.1.3(a)(i) and such approved certificate indicates that the Aggregate Usage is less than the Borrowing Base and that Borrowers are in compliance with the Interest Service Coverage Ratio Threshold at such time, Borrowers may request (each such request, a "Collateral Release Request") in writing that Collateral Agent release its Lien on one or more Approved Financings (a "Collateral Release").

(b) Any such Collateral Release Request shall be subject to the following conditions:

(i) such Collateral Release Request shall be delivered to the Administrative Agent in substantially final form within three (3) Business Days of the requested Collateral Release date;

(ii) simultaneously with the delivery of the substantially final form of Collateral Release Request, Borrowers shall deliver a pro forma Borrowing Base Certificate demonstrating that no mandatory prepayment of the Loans pursuant to Section 5.2.1 or otherwise will be required as a result of the Collateral Release and Administrative Agent shall have approved such certificate;

(iii) on the date of the requested Collateral Release, the Borrowers shall deliver a complete and duly executed Collateral Release Request together with a final Borrowing Base Certificate, and Borrowers shall certify in writing in such Collateral Release Request that such Collateral Release will not result in a Default or Event of Default; and

(iv) no Default or Event of Default shall have occurred and be continuing as of the date of the Collateral Release Request (unless the purpose of such Collateral Release is to cure any such Default or Event of Default) and as of the date of, and after giving effect to, the Collateral Release.

(c) Notwithstanding anything to the contrary in this Agreement, in the event the Applicable Valuation Percentage for any Approved Financing (Land Assets) becomes 0% pursuant to Section 8.1.3(f), all Liens under the Loan Documents over any such Approved Financings shall automatically be released on the date on which (x) the applicable Mandatory Prepayment (if any) is made in full or (if no Mandatory Prepayment is necessary) the Applicable Valuation Percentage for such Approved Financings becomes 0% and (y) the Borrowers transfer such Approved Financing to any Person other than a Borrower or a Pledgor; provided that and for the avoidance of doubt, any such sale of such Approved Financing may be to a Subsidiary of HA LLC (other than a Borrower or a Pledgor).

(d) In the event that each of the conditions set forth in clauses (a) and (b) above have been satisfied as determined by Administrative Agent or any of the events set forth in clause (c) above have occurred, Administrative Agent, Collateral Agent and Borrowers shall, not later than two (2) Business Days thereafter enter into definitive documentation (in form and substance reasonably satisfactory to each such party) giving effect to the Collateral Release or Lien release.

8.2. Administration of Accounts.

8.2.1. Records and Schedules of Accounts. Each Borrower shall keep accurate and complete records of Borrower's Receivables, including all payments and collections thereon, and shall submit to Administrative Agent reports in form satisfactory to Administrative Agent, on such periodic basis as Administrative Agent may reasonably request.

8.2.2. Taxes. If a Receivable of any Borrower includes a charge for any Taxes, each Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of such Borrower and to charge such Borrower therefor; provided,

however, that neither Agents nor Lenders shall be liable for any Taxes that may be due from any Borrower or with respect to any Collateral.

8.2.3. Account Verification. Administrative Agent shall have the right at any time, in the name of Administrative Agent, any designee of Administrative Agent, or any Borrower, to verify the validity, amount or any other matter relating to any Receivables of any Borrower by mail, telephone or otherwise. The Administrative Agent shall use reasonable efforts to notify Borrower Agent of such action, and each Borrower shall cooperate fully with Administrative Agent in an effort to facilitate and promptly conclude any such verification process.

8.2.4. Maintenance of Borrower Collateral Accounts. Each Borrower shall maintain, or cause to be maintained, in full force and effect Borrower Collateral Accounts subject to the Depositary Agreement. Each Borrower shall take all actions necessary to establish Collateral Agent's control of each such Borrower Collateral Account. The Borrowers shall be the sole account holder of each Borrower Collateral Account and shall not allow any other Person (other than Collateral Agent) to have control over a Borrower Collateral Account or any amounts or assets deposited therein or credited thereto.

8.2.5. Proceeds of Collateral. Subject to Section 8.2.6, each Borrower shall ensure and take all necessary steps to ensure that all payments of Receivables or otherwise relating to Collateral are made directly to the Revenue Account (as defined in the Depositary Agreement), or such other Borrower Collateral Account identified in writing by Administrative Agent to Borrower Agent. If any Borrower has Knowledge that it has received cash or Payment Items with respect to any Collateral, it shall hold same in trust in favor of Collateral Agent for the benefit of the Secured Parties and promptly (not later than the next two (2) Business Days thereafter) deposit same into Borrower Collateral Account or such other identified in writing by Administrative Agent to Borrower Agent.

8.2.6. Proceeds of the Approved Financing (Amortizing Loan). Each Borrower shall ensure and take all necessary steps to ensure that all payments of Receivables and all other payments relating to the Approved Financing (Amortizing Loan) are made directly to the Amortizing Loan Revenue Account (as defined in the Depositary Agreement) or such other Borrower Collateral Account identified in writing by Administrative Agent to Borrower Agent, and such proceeds from the Approved Financing (Amortizing Loan) shall be used by the Borrowers solely to make the prepayments required pursuant to Sections 5.2.1(d) and 5.2.3.

8.3. Administration of Deposit Accounts. Schedule 8.3 sets forth all Deposit Accounts maintained by Borrowers as of the Effective Date, as the same may be supplemented, modified, amended, restated or replaced from time to time. No Borrower will open or close any Deposit Account without the written consent of the Administrative Agent (except that Borrowers will open Borrower Collateral Accounts).

8.4. General Provisions.

8.4.1. Location of Collateral. All tangible items of Collateral shall at all times be kept by Borrowers or their respective Subsidiaries at The Bank of New York Mellon, 240 Greenwich St. – 7W, New York, NY 10286, Attn: Asset-Backed Securities, or such other location as Administrative Agent may designate in writing to Borrower.

8.4.2. Protection of Collateral. All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by Agents to any Person to realize upon any Collateral, shall be borne and paid by Borrowers. No Agent shall be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in Collateral Agent's actual possession), for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at Borrowers' sole risk.

8.4.3. Defense of Title. Each Borrower shall defend its title to Collateral and Collateral Agent's Liens therein against all Persons, and all other material claims and demands, except Permitted Liens.

8.5. Power of Attorney. Each Borrower hereby irrevocably constitutes and appoints each Agent (and all Persons designated by any such Agent) as Borrower's true and lawful attorney (and agent-in-fact) for the purposes provided in this Section 8.5. Any Agent's designee, may, without notice and in either its or any Borrower's name, but at the cost and expense of such Borrower:

(a) endorse any Borrower's name on any Payment Item or other proceeds of Collateral (including proceeds of insurance) that come into Collateral Agent's possession or control in the event that such Borrower does not so endorse and deposit such Payment Item or such proceeds of Collateral to the applicable Borrower Collateral Account; and

(b) during an Event of Default, (i) notify any Account Debtors of the assignment of their Accounts that constitute Collateral, demand and enforce payment of such Accounts by legal proceedings or otherwise, and generally exercise any rights and remedies with respect to such Accounts; (ii) settle, adjust, modify, compromise, discharge or release such Accounts or other Collateral, or any legal proceedings brought to collect such Accounts or other Collateral; (iii) sell or assign such Accounts and other Collateral upon such terms, for such amounts and at such times as such Agent deems advisable; (iv) collect, liquidate and receive balances in Deposit Accounts or investment accounts that constitute Collateral, and take control, in any manner, of proceeds of Collateral; (v) prepare, file and sign any Borrower's name to a proof of claim or other document in a bankruptcy of an Account Debtor, or to any notice, assignment or satisfaction of Lien or similar document; (vi) receive, open and dispose of mail addressed to a Borrower, and notify postal authorities to deliver any such mail to an address designated by Administrative Agent; (vii) endorse any Chattel Paper, Document, Instrument, bill of lading, or other document or agreement relating to any Accounts that constitute Collateral or other Collateral; (viii) use any Borrower's stationery and sign its name to verifications of such Accounts and notices to Account Debtors; (ix) use information contained in any data processing, electronic or information systems relating to Collateral; (x) make and adjust claims under insurance policies; (xi) take any action as may be reasonably necessary or appropriate to obtain payment

under any letter of credit, banker's acceptance or other instrument for which any Borrower is a beneficiary; and (xii) take all other actions as Administrative Agent reasonably deems appropriate to fulfill any Borrower's obligations under the Loan Documents.

Without limiting any Agent's right or power to take any action, each Agent shall use reasonable efforts to provide written notice to Borrower Agent of any action taken by it under this Section 8.5; provided that Borrowers agree that any failure to provide such notice shall not result in any liability to the Agent or any of its Affiliates.

SECTION 9. REPRESENTATIONS AND WARRANTIES

9.1. Representations and Warranties of Each Borrower. In order to induce the Agents and Lenders to enter into this Agreement and to make each Advance to be made thereby, each Borrower represents and warrants to each Agent and each Lender that the following statements are true and correct, on (i) the Effective Date and (ii) on each Credit Date (subject to, on each Credit Date, any applicable materiality qualifiers with respect thereto as contemplated by Section 6.2.9 of this Agreement):

9.1.1. Organization and Qualification. Such Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Such Borrower is duly qualified, authorized to do business and in good standing as a foreign entity in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

9.1.2. Power and Authority. Such Borrower is duly authorized to execute, deliver and perform the Loan Documents to which it is a party. The execution, delivery and performance of the Loan Documents to which it is a party have been duly authorized by all necessary corporate, limited liability company or partnerships, as applicable, action on the part of such Borrower.

9.1.3. Enforceability. Each Loan Document to which such Borrower is a party, and, as of each Credit Date, each Material Underlying Financing Document to which such Borrower is a party is a legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

9.1.4. Capital Structure. The Equity Interests of such Borrower have been duly authorized and validly issued and are fully paid and non-assessable. There is no existing option, warrant, call, right, commitment or other agreement to which such Borrower is a party requiring, and there is no membership interest, partnership interest, or other Equity Interests of such Borrower outstanding which upon conversion or exchange would require, the issuance by such Borrower of any additional membership interests, partnership interests or other Equity Interests of such Borrower or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest, partnership interest or other Equity Interests of such Borrower. Schedule 9.1.4 correctly sets forth the ownership interest of each Borrower as of the Effective Date with and each Credit Date.

9.1.5. No Existing Debt; Priority of Liens. Neither the Collateral nor any other asset of such Borrower is subject to any Liens other than Permitted Liens, and such Borrower does not have any Debt other than Permitted Debt. All Liens of Collateral Agent in the Collateral are duly perfected, First Priority Liens.

9.1.6. No Conflict. The execution, delivery and performance by such Borrower of the Loan Documents to which it is a party, and, as of each Credit Date, the Material Underlying Financing Documents to which it is a party, and the consummation of the transactions contemplated by the Loan Documents to which it is a party, and, as of each Credit Date, the Material Underlying Financing Documents to which it is a party do not and will not (a) violate in any material respect (i) any provision of any Applicable Law applicable to such Borrower, (ii) any of the Organizational Documents of such Borrower, or (iii) any order, judgment or decree of any court or other agency of government binding on such Borrower; (b) conflict with, result in a breach of or constitute (immediately or upon the giving of notice) a default in any material respect under any Contractual Obligation of such Borrower; (c) result in or require the creation or imposition of any material Lien upon any of the properties or assets of such Borrower (other than any Permitted Liens); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Borrower, except for Required Approvals and such approvals or consents which were obtained on or before the Effective Date.

9.1.7. No Material Adverse Effect. (a) No Material Adverse Effect has occurred and is continuing nor (b) to such Borrower's Knowledge, does any development or event exist that could reasonably be expected to result in a Material Adverse Effect which is not covered in full (subject to customary deductibles) by insurance maintained in accordance with the Insurance Requirements fully secured or bonded.

9.1.8. Financial Statements. The consolidated and consolidating balance sheets, and related statements of income of such Borrower that have been and are hereafter delivered to Administrative Agent and Lenders, are prepared in accordance with GAAP, and fairly present in all material respects the financial positions and results of operations of such Borrower at the dates and for the periods indicated. Since September 30, 2018 there has been no change in the condition, financial or otherwise, of Borrowers taken as a whole that could reasonably be expected to have a Material Adverse Effect.

9.1.9. Payment of Taxes. Such Borrower has filed all federal, state and local Tax returns and other reports that it is required by law to file, and has paid, or made provision for the payment of, all Taxes upon it, its income and its Properties that are due and payable, except to the extent being Properly Contested or could not reasonably be expected to have a Material Adverse Effect.

9.1.10. Brokers. There are no brokerage commissions, finder's fees or investment banking fees payable by any such Borrower in connection with any transactions contemplated by the Loan Documents, other than (x) those payable to a Lender, Administrative Agent or Collateral Agent pursuant hereto or (y) those brokerage commissions, finder's fees and investment banking fees payable with respect to

Underlying Financings in the Ordinary Course of Business.

9.1.11. Governmental Approvals; Other Consents. Each of

(i) the execution and delivery by such Borrower of (A) the Loan Documents to which it is a party, and (B) as of each Credit Date, the applicable Material Underlying Financing Documents to which it is a party, and

(ii) the consummation by such Borrower of the transactions contemplated by (A) the Loan Documents to which it is a party and, (B) as of each Credit Date, the applicable Material Underlying Financing Documents to which it is a party do not and will not require any registration with, consent or approval of, or notice to, or other action by, any applicable Governmental Authority, except for filings and recordings with respect to the related Collateral to be made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of (x) the Effective Date, or (y) with respect to any Underlying Financing, the Advance of each Loan or (z) as otherwise contemplated by this Agreement, and except in all cases for (1) those Consents listed on Schedule 9.1.11, and (2) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect as of the date hereof.

9.1.12. Compliance with Laws. Such Borrower is in compliance with all Applicable Laws (other than failure to comply with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations) and all applicable restrictions and regulations imposed by all Governmental Authorities in respect of the conduct of its businesses and the ownership of its Properties, except as could not reasonably be expected to have a Material Adverse Effect. There have been no citations of, notices of or orders of, material noncompliance issued by any applicable Governmental Authority to such Borrower under any securities laws.

9.1.13. Litigation. Except as shown on Schedule 9.1.13, there are no proceedings or investigations pending or, to such Borrower's Knowledge, threatened against such Borrower that (a) relate to any Loan Documents to which it is a party or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to such Borrower. Except as shown on Schedule 9.1.13 or as any Obligor has notified Administrative Agent in writing, such Borrower does not have a Commercial Tort Claim in excess of $500,000. Such Borrower is not in default with respect to any order, injunction or judgment of any applicable Governmental Authority, except as could not reasonably be expected to have a Material Adverse Effect.

9.1.14. No Defaults. No Default or Event of Default has occurred and is continuing. As of any Credit Date on which this representation is made, such Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of the Material Underlying Financing Documents to which it is a party, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

9.1.15. Payable Practices. Since the Effective Date, such Borrower has not made any change in its accounts payable practices that could reasonably be expected to have a Material Adverse Effect.

9.1.16. Governmental Regulation. No such Borrower is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

9.1.17. Margin Stock. No such Borrower is engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No Loan proceeds will be used by such Borrower to purchase or carry, or to reduce or refinance any Debt incurred to purchase or carry, any Margin Stock

9.1.18. OFAC and Corrupt Practices Laws.

(a) No Borrower is, nor, to the Knowledge of such Borrower, any Obligor, director, officer, employee, agent, affiliate or representative thereof, an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions, including, without limitation, United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (ii) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets ("Sanctioned Person"), or any similar list enforced by any other relevant sanctions authority (iii) has conducted business with or engaged in any transaction with any Sanctioned Person or (iv) located, organized or resident in a Designated Jurisdiction. Each Borrower and its Subsidiaries (if any), and to each Borrower's Knowledge, each other Obligor, have conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions. No Borrower nor any of its Subsidiaries, and to the Borrower's Knowledge, no Obligor, have been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to Sanctions.

(b) Each Borrower, and to each Borrower's Knowledge, each other Obligor, is in compliance in all material respects with all Anti-Bribery and Anti-Corruptions Laws.

(c) The Borrowers and their Subsidiaries (if any), and to the Borrower's Knowledge, each other Obligor, have conducted their businesses in compliance in all material respects with Anti-Bribery and Anti-Corruption Laws and have instituted and maintain policies

and procedures designed to ensure compliance with such laws.

(d) No part of the proceeds of Loan or any other transaction contemplated hereunder constitutes or will constitute funds obtained on behalf of any U.S. Blocked Person. No Borrower nor any of its Subsidiaries (if any), and to each Borrower's Knowledge, no other Obligor, will use, directly or indirectly, any part of the proceeds of any Loan or any other transaction contemplated hereunder in connection with any investment in, or any transactions or dealings with, any U.S. Blocked Person or otherwise in violation of Sanctions.

9.1.19. Solvency. Such Borrower is and, upon the incurrence of any obligation by each such party on any date on which this representation and warranty is made, will be, Solvent.

9.1.20. Anti-Terrorism and Money Laundering Laws. Neither such Borrower nor any Subsidiary of such Borrower (if any), and to each Borrower's Knowledge, any other Obligor, nor director or officer thereof, nor to the Knowledge of such Borrower, any agent, affiliate or representative thereof is in violation in any material respect of any Anti-Terrorism and Money Laundering Laws applicable to it. No part of the proceeds of the Loans will be used, directly or indirectly, by such Borrower for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Terrorism and Money Laundering Laws. Each Borrower, and to the Borrower's Knowledge, each other Obligor, is in compliance in all material respects with all Anti-Terrorism and Money Laundering Laws. The Borrowers and their Subsidiaries, and to the Borrower's Knowledge, each other Obligor, have conducted their businesses in compliance in all material respects with Anti-Terrorism and Money Laundering Laws and have instituted and maintain policies and procedures designed to ensure compliance with such laws. No Borrower is a "financial institution" as defined under 31 USC § 5312(a)(1).

9.1.21. United States Trading with the Enemy Act. Neither the making of any disbursement of the Loan Facility nor the use of the proceeds thereof by such Borrower will violate in any material respect the United States Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Department of the Treasury (31 C.F.R. Subtitle B, Chapter V, as amended), or any ruling issued thereunder or any enabling legislation or Presidential Executive Order granting authority therefore (the "Foreign Asset Control Regulations").

9.1.22. Business of Borrowers. The business of such Borrower is limited to the ownership and management of the Approved Financings, activities contemplated under the Loan Documents and activities reasonably related thereto.

9.1.23. Use of Proceeds. The proceeds from Loans shall be used only as described in Section 2.3.

9.1.24. Intellectual Property. Such Borrower owns or has the lawful right to use all Intellectual Property necessary for the conduct of its business, without conflict with any rights of others, except as could not reasonably be expected to have a Material Adverse Effect. There is no pending or, to such Borrower's Knowledge, threatened Intellectual Property Claim with respect to such Borrower or any of its Property (including any Intellectual Property), except as could not reasonably be expected to have a Material Adverse Effect. Except as disclosed on Schedule 9.1.24, such Borrower does not pay or owe any Royalty or other compensation to any Person with respect to any Intellectual Property. All registered Intellectual Property owned, used or licensed by, or otherwise subject to any interests of, such Borrower is shown on Schedule 9.1.24 (as such Schedule 9.1.24 may have been updated in accordance with Section 6.2.10).

9.1.25. Environmental Compliance. Except as disclosed on Schedule 9.1.25 (as such Schedule 9.1.25 may have been updated in accordance with Section 6.2.10), or as could not reasonably be expected to have a Material Adverse Effect, such Borrower's past or present operations, Real Estate or other Properties are not subject to any federal, state or local investigation to determine whether any remedial action is needed to address any environmental pollution, hazardous material or environmental clean-up. Such Borrower has not received any Environmental Notice that could reasonably be expected to have a Material Adverse Effect. Such Borrower has no contingent liability with respect to any Environmental Release, environmental pollution or hazardous material on any Real Estate now or previously owned, leased or operated by it that could reasonably be expected to have a Material Adverse Effect.

9.1.26. Title to Property; Priority of Liens. Such Borrower has good and marketable title to (or valid leasehold interests in) all of its Real Estate, and good title to all of its personal Property, including all Property reflected in any financial statements delivered to Administrative Agent or Lenders, except as could not reasonably be expected to have a Material Adverse Effect and, on each Credit Date, free of Liens except Permitted Liens.

9.1.27. Required Approvals. Such Borrower has obtained, and has duly complied with, all Required Approvals, except to the extent that failure to obtain or comply with such Required Approval could not reasonably be expected to have a Material Adverse Effect.

9.1.28. Insurance. All insurance required pursuant to the Insurance Requirements is in full force and effect and in compliance with the Insurance Requirements.

9.1.29. ERISA.

(a) Such Borrower has never (i) had any employees (whether under common law, as a joint employer or otherwise) or (ii) sponsored or maintained, or been contractually obligated to contribute to, any Plan, including a Title IV Plan or Multiemployer Plan, or other compensatory plan, program, arrangement or agreement for employees, directors or consultants. No ERISA Affiliate of such Borrower sponsors or maintains, nor has any such entity ever sponsored or maintained, a Title IV Plan or a plan subject to Part 3 of Subtitle B of Title I of ERISA or to Section 412 of the Code. No such ERISA Affiliate contributes to, nor has any such entity ever contributed to, a Multiemployer Plan.

(b) No Plan maintained by the ERISA Affiliates of such Borrower which is a welfare benefit plan (within the meaning of Section 3(1) of ERISA) provides or represents any liability to provide retiree life insurance, retiree health or other retiree employee welfare benefits to any person for any reason, other than as required by Code Section 4980B or Sections 601 et seq. of ERISA, the regulations thereunder, and any other published interpretive authority, as issued or amended from time to time (such provisions of law collectively referred to herein as "COBRA"), and no such ERISA Affiliate has represented, promised or contracted (whether in oral or written form) to any employee (either individually or to employees as a group) or any other person that any such employee or other person would be provided with retiree life insurance, retiree health or other retiree employee welfare benefits, other than as required by COBRA.

(c) the Borrower is not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

9.1.30. Disclosure. All factual information furnished by or on behalf of any Obligor to the Administrative Agent in connection with the negotiation and diligence of this Agreement and the transactions contemplated hereby, when taken as a whole and supplemented from time to time, or otherwise delivered hereunder for use in connection with the transactions contemplated hereby does not contain, as of the date of delivery of such factual information so furnished, any untrue statement of a material fact and does not omit to state any material fact necessary to make each statement therein not misleading in light of the circumstances under which it was made; provided, however, that with respect to any such information that (x) relates specifically to the Underlying Financing and not to such Borrower or any of its rights or interests in any such Underlying Financing and (y) was not prepared by the Obligors (other than information that was prepared by a representative of the Obligors at the direction of the Obligors), the foregoing statement is made to such Borrower's Knowledge. Any forward-looking statements, including any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by such Borrower to be reasonable at the time made, it being recognized by Administrative Agent that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

9.1.31. No Subsidiaries. Such Borrower has no Subsidiaries.

9.1.32. Beneficial Ownership Certification. As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

9.1.33. EEA Financial Institution. No Obligor is an EEA Financial Institution.

SECTION 10. COVENANTS AND CONTINUING AGREEMENTS

10.1. Affirmative Covenants. Each Borrower covenants and agrees that, so long as any Commitment is in effect and until Full Payment of all Obligations, such Borrower shall perform all covenants in this Section 10.1.

10.1.1. Financial Statements and Other Reports. Each Borrower will deliver to Administrative Agent and each Lender:

(a) Quarterly Financial Statements.

(i) Within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year, an unaudited balance sheet and related statements of operations and cash flows showing the consolidated financial position of HA INC (including all subsidiaries on a consolidated basis) as of the close of such Fiscal Quarter and the results of its operations during such fiscal quarter and the then-elapsed portion of the Fiscal Year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior Fiscal Year, all certified by a Financial Officer of HA INC as fairly presenting, in all material respects, the consolidated financial position and results of operations of the HA INC in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes); and

(ii) Within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year, an unaudited balance sheet and related statements of operations showing the consolidated financial position of Borrowers (including all subsidiaries (if any) on a consolidated basis) as of the close of such Fiscal Quarter and the results of its operations during such fiscal quarter and the then-elapsed portion of the Fiscal Year and setting forth in comparative form the corresponding figures for the corresponding periods of the prior Fiscal Year, all certified by a Financial Officer of Borrowers as fairly presenting, in all material respects, the consolidated financial position and results of operations of Borrowers in accordance with GAAP (subject to normal year-end consolidation entries, audit adjustments and the absence of footnotes and other required statements).

(b) Annual Financial Statements.

(i) As soon as available, and in any event within ninety (90) days after the end of each Fiscal Year, commencing with the Fiscal Year in which the Effective Date occurs, (i) all audited financial statements of HA INC (including all subsidiaries on a consolidated basis) required pursuant to the Exchange Act, including without limitation, its consolidated balance sheets, statements of income, stockholders' equity and cash flows of the HA INC (including all subsidiaries on a consolidated basis) as at the end of such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, commencing with the first Fiscal Year for which such corresponding figures are available, in reasonable detail, together with a Financial Officer Certification and management discussions and analysis with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of the independent accounting or auditing firm (which report and/or the

accompanying financial statements shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of HA INC (including all subsidiaries on a consolidated basis) as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements).

(ii) Within ninety (90) days after the end of each Fiscal Year, an unaudited balance sheet and related statements of operations showing the consolidated financial position of Borrowers (including all subsidiaries (if any) on a consolidated basis) as of the close of such Fiscal Year and the results of its operations during such Fiscal Year and setting forth in comparative form the corresponding figures for the prior Fiscal Year, all certified by a Financial Officer of Borrowers as fairly presenting, in all material respects, the consolidated financial position and results of operations of Borrowers in accordance with GAAP (subject to normal year-end audit adjustments, consolidation entries and the absence of footnotes and other required statements).

(iii) Documents required to be delivered pursuant to Section 10.1.1(a) or 10.1.1(b) will be deemed delivered when posted on the U.S. Securities and Exchange Commission's website (to the extent any such documents are included in materials otherwise filed with the U.S. Securities and Exchange Commission) or may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are posted on HA INC's behalf on an Internet or intranet website, if any, to which each Lender and Administrative Agent have access (whether a commercial, third-party website or sponsored by Administrative Agent); provided that: (i) HA INC shall deliver paper copies of such documents to Administrative Agent on behalf of any Lender that reasonably requests delivery of such paper copies until a written request to cease delivering paper copies is given by Administrative Agent or such Lender and (ii) HA INC shall notify Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents to the Internet or intranet website or U.S. Securities and Exchange Commission's website. Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by HA INC with any request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining copies of such documents.

(c) Compliance Certificate. Together with each delivery of financial statements pursuant to Sections 10.1.1(a) and 10.1.1(b), a duly executed and completed Compliance Certificate;

(d) Borrowing Base Certificate. Each Borrowing Base Certificate when required by Section 8.1.1 and in form and substance substantially similar to the form of Borrowing Base Certificate in Exhibit D-1;

(e) Notice of Default. Promptly (but in any event within five (5) Business Days) after a Borrower obtaining Knowledge of any development or event that constitutes a Default or an Event of Default, a certificate of a Borrower signed by an Authorized Officer of a Borrower specifying in reasonable detail the nature and period of existence of such Event of Default or Default, and what action the applicable Obligor has taken, is taking and proposes to take with respect thereto;

(f) Notice of Litigation. Promptly (but in any event within five (5) Business Days) after (i) a Borrower obtaining Knowledge of any Adverse Proceeding (not previously disclosed in writing by an Obligor to Administrative Agent) in respect of any Obligor, or (ii) any Borrower obtaining Knowledge of any Adverse Proceeding in respect of a related Material Underlying Financing Participant not previously disclosed in writing by an Obligor to Administrative Agent, written notice thereof together with such other information as may be reasonably available to the applicable Obligor (including by request to the applicable Material Underlying Financing Participant) to enable Administrative Agent and its counsel to evaluate such matters;

(g) Notice Regarding Material Underlying Financing Documents; Required Approval; Material Adverse Effects. Promptly, and in any event within five (5) Business Days after a Borrower obtaining Knowledge (i) that any (A) Material Underlying Financing Document or Required Approval of any Borrower is amended in a manner that could reasonably be expected to have a Material Adverse Effect or, with respect to Material Underlying Financing Documents or a Underlying Material Adverse Effect, terminated, or (B) that any new Underlying Financing Document that is material or Required Approval is entered into or received, a written statement describing in reasonable detail such event, with copies of such material amendments or new contracts, delivered to Administrative Agent, (ii) of any material event of force majeure asserted under any Material Underlying Financing Document, to the extent reasonably available to a Borrower, copies of related material notices and other documentation delivered under such Material Underlying Financing Document and subject to compliance with the applicable confidentiality provisions therein, and an explanation in reasonable detail of any actions being taken with respect thereto, and (iii) of discovery of any event or circumstance that could reasonably be expected to have a material adverse effect on the ability of any Borrower to carry out its obligations under a related Material Underlying Financing Document, a written statement describing in reasonable detail such condition;

(h) Information Regarding Collateral. Each Borrower will furnish to each Agent prompt written notice of any change (i) in any Borrower's corporate name, (ii) in any Borrower's corporate structure or (iii) in any Borrower's type or jurisdiction of organization. Such Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise (as confirmed by the Administrative Agent in writing) that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Security Documents;

(i) Additional Reporting. Promptly, and in any event within five (5) Business Days (or such different period provided below) of a Borrower obtaining Knowledge of the occurrence thereof, notify Administrative Agent of:

(i) any Change of Law specifically affecting the Collateral, Approved Financings, any Borrower, any of their

respective property or Equity Interests or any related Material Underlying Financing Participant that, in each case, could reasonably be expected to have a Material Adverse Effect or an Underlying Material Adverse Effect, including any developments with respect to any of the foregoing;

(ii) within thirty (30) days, any change in the Authorized Officers of any Borrower, including certified specimen signatures of any new Person so appointed and satisfactory evidence of the authority of such Person;

(iii) within ten (10) Business Days of receipt thereof, any written notice received or initiated by such Borrower relating to the Approved Financings, Collateral or any related Material Underlying Financing Document, or any written notice received or initiated by such Borrower relating to any related Required Approval, in each case, with respect to any act, event or circumstance that could reasonably be expected to have a Material Adverse Effect;

(iv) obtaining Knowledge of any Lien (other than a Permitted Lien) being granted or established or becoming enforceable over any of the related Collateral, together with a description thereof;

(v) any act, event or circumstance having occurred with respect to any related Approved Financing that could reasonably be expected to have a Material Adverse Effect or an Underlying Material Adverse Effect;

(vi) any event or circumstance in which an Approved Financing has become a Watched Loan and the remedial measures that Borrowers intend to take with respect to any such Watched Loans; or

(vii) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification.

10.1.2. Existence. (a) Except as otherwise permitted under Section 10.2.12, each Borrower shall, at all times, preserve and keep in full force and effect their respective existence and (b) such Borrower will at all times, preserve and keep in full force and effect their respective rights and franchises, licenses and permits material to their respective business and the Eligible Collateral (taken as a whole), except as could not reasonably be expected to have a Material Adverse Effect.

10.1.3. Inspections. Each Borrower shall at all times permit representatives and independent contractors of Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and files, including all financial, corporate and operating records and files concerning the Project Portfolio, Loan Documents, Underlying Financing Documents and Underlying Financings, and make copies thereof or abstracts therefrom, and to discuss its affairs, business (including, without limitation, all matters concerning the Project Portfolio and Underlying Financings), finances and accounts with its directors, officers, independent public accountants, its legal counsel and other independent agents and experts, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Borrowers; provided that all reasonable and documented third-party charges, costs and expenses of Administrative Agent and its representatives and independent contractors in connection with such visits, examinations and discussions shall be reimbursed by Borrowers only in connection with two (2) such visits, examinations and discussions per fiscal year; provided, however, that when an Event of Default exists Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of Borrowers at any time during normal business hours and without advance notice.

10.1.4. Compliance with Laws.

(a) Each Borrower shall, at all times, comply with all Applicable Laws (including applicable Environmental Laws, FLSA, FATCA, OSHA and laws regarding collection and payment of Taxes) and maintain all applicable Governmental Approvals necessary to the conduct of its business, unless failure to comply (other than failure to comply with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions Anti-Bribery and Anti-Corruption Laws and Foreign Asset Control Regulations) or maintain could not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower hereby covenants and agrees (b) that it will not conduct, and will not permit any of its Subsidiaries, directors, officers or employees to conduct, business with or engage in any transaction with any Sanctioned Person.

(c) If to Borrower's Knowledge, if any Obligor thereof is named as Sanctioned Person, Borrower will promptly (i) give written notice to the Administrative Agent of such designation, and (ii) comply with all applicable requirements of Law with respect to such designation (and the Borrowers hereby authorize and consent to the Administrative Agent taking any and all steps it deems necessary, in the Administrative Agent's sole discretion to comply with all applicable requirements of Law with respect to any such designation, including the requirements of the applicable Anti- Terrorism and Money Laundering Laws (including the "freezing" and/or "blocking" of assets).

(d) The Borrower will remain in compliance with all Anti-Bribery and Anti-Corruption Laws, Anti-Terrorism and Money Laundering Laws and applicable Sanctions and will maintain in effect and enforce policies and procedures designed to ensure compliance by each Borrower, its Subsidiaries and its and their respective directors, officers, employees and agents with such laws.

10.1.5. Taxes. Each Borrower shall, at all times, pay and discharge all Taxes prior to the date on which they become delinquent or penalties attach, unless the amount is not material to it or its financial condition or such Taxes are being Properly Contested.

10.1.6. Special Purpose and Separateness. Each Borrower shall, at all times, comply with the requirements of Schedule 6.1.13.

10.1.7. Independent Manager. Each Borrower shall, at all times, (a) take such action as requested by the Independent Manager in accordance with this Agreement and the Organizational Documents of such Borrower and (b) ensure that the Independent Manager is provided with all information reasonably requested by the Independent Manager in fulfilling its duties to Administrative Agent and ensure that any information that it may supply to the Independent Manager is, taken as a whole, accurate in all material respects and not, by omission of information or otherwise, misleading in any material respect at the time such information is provided.

10.1.8. Further Assurances.

(a) At any time or from time to time upon the reasonable request of Administrative Agent, each Borrower shall, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent may reasonably request in order to effect fully the purposes of the Loan Documents.

(b) In furtherance of Section 10.1.8(a), each Borrower shall, at its own expense, take all actions that have been or shall be requested by Administrative Agent or Collateral Agent, or that such Borrower knows are necessary, to establish, maintain, protect, perfect and continue the perfection of the First Priority Liens of the Secured Parties intended to be created by the related Security Documents and shall furnish timely notice of the necessity of any such action, together with such instruments, in execution form, and such other information as may be required or reasonably requested to enable any appropriate Secured Party to effect any such action. Without limiting the generality of the foregoing, each Borrower shall, at its own expense, (i) execute or cause to be executed and shall file or cause to be filed or register or cause to be registered such financing statements, continuation statements and fixture filings in all places necessary or advisable (in the reasonable opinion of counsel for Administrative Agent or Collateral Agent) to establish, maintain and perfect such security interests created pursuant to the related Security Documents, (ii) discharge all other Liens (other than Permitted Liens) on the Collateral and (iii) deliver or publish all notices to third parties that may be required to establish or maintain the validity, perfection or priority of any Lien created pursuant to the related Security Documents.

(c) In furtherance of Section 10.1.8(a), if any Borrower shall at any time acquire any interest in property not covered by the related Security Documents or enter into any additional related Underlying Financing Documents that are material, such Borrower shall, promptly (i) as applicable; execute, deliver and record a supplement to such Security Documents, reasonably satisfactory in form and substance to Administrative Agent, and if reasonably requested, enter into a direct agreement with Collateral Agent in form and substance satisfactory to Administrative Agent and Collateral Agent and (ii) ensure that such security interest shall be valid and effective.

10.1.9. Performance of Obligations. Each Borrower shall, (i) perform and observe all of its respective covenants and obligations contained in any Material Underlying Financing Document to which it is a party or related Required Approval to the extent that failure to do so could reasonably be expected to have a Material Adverse Effect or an Underlying Material Adverse Effect and (ii) take all reasonable and necessary actions to enforce against any Borrower, in the case of the relevant Material Underlying Financing Participant, in the case of any related Material Underlying Financing Document, each covenant or obligation under each such Material Underlying Financing Document, as applicable, to which such Person is a party in accordance with its terms as and to the extent such enforcement actions are in the best interest of the related Eligible Collateral and to the extent that failure to do so could reasonably be expected to have a Material Adverse Effect or Underlying Material Adverse Effect.

10.1.10. Insurance. HA INC shall maintain and shall maintain on behalf of and for the benefit of each Borrower insurance with insurers satisfactory to Agent, with respect to the Properties, Collateral and business of Obligors of such type (including general liability, umbrella policy, D&O and workers compensation coverages), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated.

10.1.11. Intellectual Property. Each Borrower shall, keep each License affecting any Collateral or affecting any other material Property of such Borrower in full force and effect as is customary for companies similarly situated, except as could not reasonably be expected to have a Material Adverse Effect.

10.1.12. Accounts. Borrower shall instruct each Person remitting cash to or for the account of Borrowers to deposit such cash directly into the Borrower Collateral Accounts for application in accordance with the terms of the Depositary Agreement and each Borrower shall promptly deposit all proceeds received from an equity contribution as well as all Revenues (as defined in the Depositary Agreement) into the Borrower Collateral Accounts. Each Borrower shall promptly remit any amounts received by it or received by third parties on its behalf to Collateral Agent for deposit in the Borrower Collateral Accounts in accordance with the terms of the Depositary Agreement.

10.1.13. Books and Records. Each Borrower shall keep proper books of record and accounts in conformity in all material respects with GAAP.

10.1.14. Collateral. Each Borrower shall promptly after its receipt thereof (a) deliver (i) to the Collateral Agent each original note (if any) issued to a Borrower in connection with each of its Approved Financings, (ii) to the Administrative Agent copies of the Underlying Financing Documents in respect of each such Approved Financing, and (iii) to the extent requested by the Administrative Agent, originals of the Underlying Financing Documents (to the extent originals are available to the Borrowers) to the Administrative Agent (or Collateral Agent, if so directed by the Administrative Agent) and (b) take any other action reasonably requested by the Administrative Agent in order to ensure that the originals of the Underlying Financing Documents (to the extent requested and available in accordance with clause (a)) are at all times held by the Administrative Agent (or Collateral Agent if so directed by the Administrative Agent).

10.1.15. Lien Search. The Borrowers shall deliver to the Administrative Agent, on the one year anniversary of the Effective Date and each one year anniversary thereafter, the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other lien filings (other than Permitted Liens), if applicable, on any of the Borrowers.

10.1.16. Monthly Reports. Borrowers shall deliver via a database or similar data storage platform to Administrative Agent no later than ten (10) Business Days after the end of each month all Written Materials and Notices delivered to a Borrower during such month.

10.1.17. Amortizing Loan ROFO Notices. Within two (2) Business Days of written request by the Administrative Agent, the Borrowers shall deliver to each of the addressees thereof, any ROFO Notice. Promptly following, and in any event within three (3) Business Days of its receipt thereof, the Borrowers shall deliver to the Administrative Agent any countersigned signature page to the any ROFO Notice.

10.2. Negative Covenants. Each Borrower covenants and agrees that, so long as any Commitment is in effect and until Full Payment of all Obligations, it shall not:

10.2.1. Debt. Directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Debt, except for the following Debt ("Permitted Debt"):

(a) with respect to Borrowers, the Obligations; and

(b) to the extent constituting Debt, Debt in respect of a Borrowers deferred purchase price obligation under any master purchase agreement/assignment schedule but solely with respect to Approved Financings.

10.2.2. Permitted Liens. Directly or indirectly, create, incur, assume or permit to exist, any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of any Borrower, whether now owned or hereafter acquired or licensed, or any income, profits or royalties therefrom, or file or permit the filing of any financing statement or other similar notice of any Lien, or permit to remain in effect, any financing statement or other similar notice of any Lien of which it has Knowledge, with respect to any such property, asset, income, profits or royalties under the UCC of any State or under any similar recording or notice statute or under any applicable intellectual property laws, rules or procedures, except for the following Liens (collectively, "Permitted Liens"):

(a) Liens in favor of the Collateral Agent for the benefit of the Secured Parties granted pursuant to the related Loan Documents;

(b) Liens for Taxes if obligations with respect to such Taxes are not material with respect to it or its financial condition or are being Properly Contested; and

(c) Liens securing obligations that are not at any time in the aggregate greater than $100,000.

10.2.3. Use of Proceeds. Directly or indirectly, use any of the proceeds from any Advance for any purpose other than as set forth in Section 2.3.

10.2.4. Subsidiaries. Form or have any Subsidiaries.

10.2.5. Ordinary Course of Conduct; No Other Business. (a) Engage in any business other than the acquisition, ownership, financing, implementation and maintenance of the Eligible Collateral and any other Approved Financings in accordance with the related Loan Documents or (b) undertake any action that could reasonably be expected to lead to a material alteration of the nature of its business or the nature or scope of such Approved Financings.

10.2.6. Accounts. Establish or maintain any bank accounts other than the Borrower Collateral Accounts.

10.2.7. Other Agreements. Enter into any material Contractual Obligation other than, with respect to Borrowers, the Loan Documents and Material Underlying Financing Documents.

10.2.8. Assignment. Assign or otherwise transfer its rights under any Material Underlying Financing Documents to any Person other than the assignment of the related Material Underlying Financing Documents to the Collateral Agent as security for the benefit of the Secured Parties.

10.2.9. Margin Regulations. Directly or indirectly apply any part of the proceeds of any Advance or other revenues to the purchasing or carrying of any margin stock within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve of the United States, or any regulations, interpretations or rulings thereunder.

10.2.10. Restrictions on Employees and Employee Plans. (a) Hire, retain or otherwise incur any liability with respect to any employees (whether under common law or otherwise) or leased employees, or (b) adopt, sponsor, maintain, or otherwise contribute to, any Plan, including a Title IV Plan or Multiemployer Plan, or other compensatory plan, program, arrangement or agreement for employees, directors or consultants.

10.2.11. Investment Company Act. Take any action that would result in any Borrower being required to register as an "investment company" under the Investment Company Act of 1940.

10.2.12. Merger; Bankruptcy; Dissolution; Transfer of Assets. Agree to or permit any other Borrower to:

(a) enter into any transaction of merger or consolidation;

(b) dispose of all or any part of its Property, including its interest in the Eligible Collateral, whether now owned or hereafter acquired, except for Permitted Dispositions;

(c) acquire by purchase or otherwise the business, Property or fixed assets of, or Equity Interests or other evidence of beneficial ownership interests in any Person (other than Approved Financings).

(d) transfer or release (other than as permitted by clause (b) above or pursuant to Section 8.1.4) any of the Collateral.

10.2.13. Restricted Investments. Make any Restricted Investment.

10.2.14. Restricted Payments. Make or authorize any Restricted Payment unless, with respect to Borrowers, each of the following conditions has been satisfied as determined by Administrative Agent in its discretion:

(a) The applicable Payment Date Borrowing Base Certificate has been delivered and approved by Administrative Agent and, after giving effect to any required principal pre-payments identified on such certificate, such certificate indicates that (i) the Borrowing Base exceeds the Aggregate Usage and (ii) Borrowers are in compliance with the Interest Service Coverage Ratio Threshold for the most recent Interest Coverage Calculation Period;

(b) any principal due and payable by Borrowers based on the certificate referred to in clause (a) of this Section 10.2.14 and otherwise pursuant to Section 5.2.1 has been paid in full to the Lenders;

(c) no Default or Event of Default has occurred and is continuing or would exist after giving effect to any such Restricted Payment; and

(d) no Watched Loan not otherwise identified in the Borrowing Base Certificate referred to in Section 10.2.14(a) has been identified between the period beginning on the date of delivery of such certificate and ending on the payment date of the Restricted Payment, or, if such a Watched Loan has been identified, Administrative Agent and Borrowers have agreed as to the BB Nominal Value and BB Adjusted Value for such Watched Loan and a revised Borrowing Base Certificate reflecting such new value and indicating that the Borrowing Base exceeds the Aggregate Usage has been submitted and approved by Administrative Agent.

Each Borrower may make Restricted Payments in accordance with the Depositary Agreement or this Section 10.2.14.

10.2.15. Issuance of Stock. Issue Equity Interests to any other Person (other than with respect to equity contributions made in cash by Guarantors to any Borrower for the limited purpose of maintaining adequate capitalization of a Borrower Party so long as the provisions set forth in clause (c) of the definition of Permitted Investments have been satisfied).

10.2.16. Transactions with Shareholders and Affiliates. Directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of such Borrower on terms that are less favorable to such Borrower than those that might be obtained at the time from a Person who is not such a holder or Affiliate, excluding any transactions under any Loan Document, Organizational Documents or Material Underlying Financing Document.

10.2.17. Amendments or Waivers of Organizational Documents. Agree to any amendment, restatement, supplement or other modification to, or waiver of, any of its Organizational Documents after the Effective Date if such amendment, restatement, supplement, modification or waiver would be adverse to Lenders or could be reasonably expected to result in a Material Adverse Effect without, in each case, obtaining the prior written consent of Administrative Agent (acting at the direction of the Required Lenders) to such material amendment, restatement, supplement or other modification or waiver (which consent shall not be unreasonably withheld, conditioned or delayed).

10.2.18. Amendment of and Notices Under Material Underlying Financing Documents. Except as otherwise provided in this Section 10.2.18, without the prior written consent of the Administrative Agent (acting at the direction of the Required Lenders unless Super-Majority Lender consent is required) which consent shall not be unreasonably delayed, directly or indirectly:

(a) permit (other than the termination of a Material Underlying Financing Document in the ordinary course in accordance with any right of termination for convenience, buyout, prepayment or similar termination right under and in accordance with the Material Underlying Financing Documents and so long as, in each such case, such right is not being exercised as a result of a default or failure to perform by any of the parties to the applicable document) or issue any notice or take any other action which would reasonably be expected to lead to the abrogation, cancellation, suspension or termination of any Material Underlying Financing Document without the consent of the Super-Majority Lenders; provided that with respect to an Approved Financing where (i) such action or notice required the vote, approval or consent of a requisite group of lenders prior to issuing such notice or taking such action and (ii) the applicable Borrower has voted in writing against any such action or issuance, then such applicable Borrower shall not be deemed to have permitted such action or issuance for purposes of this clause (a);

(b) permit or issue any notice or take any other action which would reasonably be expected to result in the cancellation, suspension or termination of any Required Approval, the effect of which could reasonably be expected to have a Material Adverse Effect; provided that with respect to an Approved Financing where (i) such action or notice required the vote, approval or consent of a requisite group of lenders prior to issuing such notice or taking such action and (ii) the applicable Borrower has voted in writing against any such action or issuance, then such applicable Borrower shall not be deemed to have permitted such action or issuance for purposes of this clause (b);

(c) sell, transfer, assign or otherwise dispose of all or any part of its material rights or interests in any Material Underlying

Financing Document or Required Approval (except for a Permitted Disposition);

(d) subject to clause (a) above, (A) subject to clause (B) below, waive any default under or breach of any Material Underlying Financing Document (other than waivers that are of a formal, minor or technical nature and do not change materially any Person's rights or obligations thereunder; provided that any such waiver shall be delivered to the Administrative Agent); provided that with respect to an Approved Financing where (i) such waiver required the vote, approval or consent of a requisite group of lenders prior to granting such waiver and (ii) such applicable Borrower has voted in writing against granting such waiver, then such applicable Borrower shall not be deemed to have granted such waiver for purposes of this clause (A)(d) or (B) without the consent of the Super-Majority Lenders, waive any event of default under or breach of any Material Underlying Financing Document; provided that with respect to an Approved Financing where (i) such waiver required the vote, approval or consent of a requisite group of lenders prior to granting such waiver and (ii) such applicable Borrower has voted in writing against granting such waiver, then such applicable Borrower shall not be deemed to have granted such waiver for purposes of this clause (B)(d);

(e) subject to clause (a) above, waive, fail to enforce, forgive or release any material right, interest or entitlement whatsoever arising under or in respect of any Material Underlying Financing Document; provided that with respect to an Approved Financing where (i) such waiver, failure to enforce, forgiveness or release required the vote, approval or consent of a requisite group of lenders prior to granting such waiver, release or forgiveness, or making such decision not to enforce, and (ii) such applicable Borrower has voted in writing against granting such waiver, forgiveness or release or voted in writing for enforcing such rights, then such applicable Borrower shall not be deemed to have granted such waiver, release or forgiveness or to have failed to enforce such rights for purposes of this clause (e);

(f) subject to clause (a) above, exercise any right to initiate an arbitration proceeding or expert decision under any Material Underlying Financing Document or take any action with respect to any arbitration proceeding or expert decision commenced under any Material Underlying Financing Document; provided that with respect to an Approved Financing where (i) such action or exercise required the vote, approval or consent of a requisite group of lenders prior to taking such action or exercise of rights, and (ii) such applicable Borrower has voted in writing against taking or exercising such rights, then such applicable Borrower shall not be deemed to have permitted such action or exercise of rights for purposes of this clause (f);

(g) replace any Material Underlying Financing Participant under any Material Underlying Financing Document or agree to or permit the assignment of any material rights or the delegation of any material obligations of any Material Underlying Financing Participant under any Material Underlying Financing Document or Required Approval except as may be required by the Security Documents; provided that with respect to an Approved Financing where (i) such replacement, assignment or delegation required the vote, approval or consent of a requisite group of lenders prior to and as a condition to such replacement, assignment or delegation occurring and (ii) such applicable Borrower has voted in writing against permitting any such replacement, assignment or delegation, then such applicable Borrower shall not be deemed to have permitted such replacement, delegation or assignment for purposes of this clause (g); or

(h) agree to amend, supplement or otherwise modify any Material Underlying Financing Document or any rights or obligations of any Material Underlying Financing Participant thereunder (other than such modifications as are required to correct a manifest error or are of a formal, minor or technical nature and do not change materially any Person's rights or obligations thereunder; provided that any such modification shall be delivered to the Administrative Agent);

provided that any action taken or not taken by Administrative Agent or the Lenders pursuant to this Section 10.2.18 shall be independent of and shall not in any way negatively affect or otherwise limit Administrative Agent's or the Lenders' rights under and pursuant to Section 8.1.

The Administrative Agent and Lenders agree to use commercially reasonable efforts to respond to a Borrower's request for consent under this Section 10.2.18 within ten (10) Business Days of the date on which the Administrative Agent receives such request in writing or such earlier date if so required by the terms of the Material Underlying Financing Document.

10.2.19. Collateral. Take any action to cause the original Underlying Financing Documents to be held by any party other than the Collateral Agent on behalf of the Administrative Agent for the benefit of the Secured Parties, except with the written consent of the Required Lenders.

10.2.20. Loans. Make any loans or other advances of money to any Person except, in respect of a Borrower, to the respective Underlying Borrower in respect of an Approved Financing pursuant to the terms of the Underlying Financing Agreements or an Approved Financing pursuant to the terms of the Underlying Financing Agreements.

10.2.21. Sanctions. Directly or indirectly, use the proceeds of any Loan or L/C Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Issuing Bank, Administrative Agent, or otherwise) of Sanctions.

10.2.22. Interest Service Coverage Ratio. Permit the Interest Service Coverage Ratio as of the end of any Semi-annual Period to be less than the Interest Service Coverage Ratio Threshold as of the last day of such period.

10.2.23. Hedge Agreements. Enter into any Hedge Agreement.

SECTION 11. EVENTS OF DEFAULT; REMEDIES ON DEFAULT

11.1. Events of Default. Each of the following shall be an "Event of Default" if it occurs for any reason whatsoever, whether voluntary or involuntary, by operation of law or otherwise:

11.1.1. Failure to Make Payments When Due. Failure by a Borrower to *(%5)* pay any interest due on the Loans or any fee or any other amount (other than amounts referred to in clauses (ii) and (iii) of this Section 11.1.1) due hereunder within five (5) Business Days after the date due, *(%5)* pay any principal amount due on the Loans, including without limitation, pursuant to Section 5.2.1(a), Section 5.2.1(b), Section 5.2.1(c) and Section 5.2.3 on the date such payment is due, or *(%5)* pay any fee or other amount payable pursuant to Sections 2.4.22, 3.4.2, 3.7, 3.8 and 5.7 on the date such payment is due.

11.1.2. Default in Other Agreements. Any failure by any Guarantor (a) to pay any amount due under the Guaranty; provided that if the amount being claimed under the Guaranty is solely in respect of interest, fees or such other amounts that, in each such case, are referred to and payable by Borrowers in accordance with clause (i) of Section 11.1.1, then any Guarantors failure to pay any such amount under the Guaranty shall not be an immediate Event of Default but shall mature into an Event of Default immediately upon the expiration, without payment by Borrowers, of the five (5) Business Day cure period provided to Borrowers in such clause (i) of Section 11.1.1, (b) to perform or observe any of its obligations under Section 15(b)(i)(B) (*Existence*) or Section 15(b)(ii) (*Inspections; Books and Records*) of the Guaranty, which failure, if capable of being cured, remains uncured for a period of five (5) Business Days after the date that any such Guarantor receives notice or otherwise Knows of any such failure, (c) to perform or observe any of the covenants set forth in Section 15(b)(i)(A) (*Existence*), Sections 15(b)(v) (*Financial Covenants*) , (vii) (*Margin Regulations*) , (viii) (*Investment Company Act*) , (ix) (*Merger; Bankruptcy*) or (x) (*Acquisitions*) of the Guaranty, or (d) (i) to make any payment (other than under the Guaranty) when due (whether by scheduled maturity, required payment, acceleration, demand or otherwise) in respect of any Debt having an aggregate outstanding principal amount of more than $50,000,000, or (ii) to observe or perform any other agreement or condition relating to any Debt having an aggregate outstanding principal amount of more than $50,000,000, or any other event occurs, the effect of which failure or other event results in the delivery to and receipt by a Guarantor or the primary obligor of such Debt of a written notice of default and acceleration of such Debt. For the avoidance of doubt, "Debt" for purposes of clause (d) of this Section 11.1.2 shall not include Non-Recourse Debt.

11.1.3. ERISA Event. Either (i) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of an Obligor to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan or (ii) an Obligor or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, in each case, to the extent such event, liability or failure has or could reasonably be expected to have a Material Adverse Effect.

11.1.4. Covenants Without Cure Period. (a) Any failure by any Borrower to perform or observe any of its obligations under Section 8.1.2, 8.1.3, 8.1.4, clauses (e), (f), (g), (i)(iv), (i)(v), (i)(vi) or (i)(vii) of Section 10.1.1, 10.1.2(b), 10.1.3, 10.1.6 , 10.1.9, 10.1.12, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.13, 10.2.14, 10.2.15, 10.2.16 and 10.2.18 which failure, if capable of being cured, remains uncured for a period of five (5) Business Days after the date that any Borrower receives notice or otherwise Knows of such failure; or (b) any failure by any Borrower to perform or observe any of its obligations under Sections 8.2.4, 10.1.1(a), 10.1.7, or 10.2 (other than those clauses of Section 10.2 specified in clause (a) of this Section 11.1.4).

11.1.5. Covenants and Other Agreements with Cure Period. Any failure by a Borrower or Guarantor to perform or observe any of the covenants or provisions set forth in any Loan Document to which it is a party (exclusive of any events specified as an Event of Default in any other clause of this Section 11.1), which failure, if capable of being cured, remains uncured for a period of thirty (30) days (the "Initial Cure Period") after the date that such Borrower or Guarantor receives notice or otherwise Knows of such failure; provided that an event specified in this Section 11.1.5 which is capable of being cured shall not constitute an Event of Default until an additional thirty (30) days following the Initial Cure Period has elapsed, if such Borrower or Guarantor began taking actions to cure such event during the Initial Cure Period and reasonably expects that such cure will be accomplished within such additional thirty (30) days.

11.1.6. Breach of Representations, Etc. Any representation or warranty herein or in any other Loan Document or in any written statement, report, financial statement or certificate made or delivered to any Agent or Lender by or on behalf of any Obligor in connection with the Loan Documents shall be false or misleading in any material respect (without duplication of other materiality qualifiers) as of the date made.

11.1.7. Involuntary Bankruptcy; Appointment of Receiver, Etc. (a) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Obligor in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (b) an involuntary case shall be commenced against any Obligor under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect and any such event described in this clause (b) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or (c) a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Obligor, or over all or a substantial part of its property, shall have been entered, or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of any Obligor for all or a substantial part of its property, or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of any Obligor.

11.1.8. Voluntary Bankruptcy; Appointment of Receiver, Etc . (a) Any Obligor shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary

case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or any Obligor shall make any assignment for the benefit of creditors; or any Guarantor shall, or any Guarantor shall agree to, liquidate, wind up or dissolve itself or otherwise commence any Insolvency Proceedings in respect of itself or file any petition or pass a resolution seeking the same; or (b) any Obligor shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of any Obligor (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 11.1.7.

11.1.9. Judgments and Attachments. One or more Governmental Judgments shall be entered against any Obligor and (a) such Governmental Judgments shall not be vacated, discharged or stayed or bonded pending appeal for a period of sixty (60) days and (b)(i) the aggregate amount of all such Governmental Judgments outstanding at any time (except to the extent Borrowers have provided Administrative Agent with evidence satisfactory to Administrative Agent that a bona fide claim exists under its insurance policies in respect of such judgment and no insurer has disputed coverage for such claim or such Obligor has posted collateral satisfactory to the Administrative Agent) exceeds $1,000,000 (in the case of Borrowers), $10,000,000 (in the case of Pledgors (other than HA LLC)), and $50,000,000 (in the case of the Guarantors) and (ii) such Governmental Judgments could reasonably be expected to have a Material Adverse Effect.

11.1.10. Dissolution. Any order, judgment or decree shall be entered against any Obligors decreeing the dissolution, liquidation or winding up or split up of such Person.

11.1.11. Change of Control. A Change of Control shall have occurred.

11.1.12. Unenforceability, Termination, Repudiation or Transfer of Any Loan Document. Any Loan Document or any material provision hereof or thereof (a) is terminated (other than in accordance with its terms), (b) ceases to be valid and binding and in full force and effect, or the performance of any material obligation under any such document by any Obligor becomes unlawful, (c) is declared to be void or is repudiated or is the subject of a challenge to its validity or enforceability by any Obligor, or (d) shall be assigned or otherwise transferred or terminated by any Obligor party thereto prior to the repayment in full of all Obligations in any manner except as provided for herein.

11.1.13. Security Interests. Any of the Security Documents shall fail in any respect to provide the Liens, security interests, rights, titles, interests, remedies, powers or privileges intended to be created thereby or such Lien in respect of all or any portion of the Collateral shall fail to have the priority contemplated therefore in such Security Documents, or any such Security Document or Lien in respect of all or any portion of the Collateral shall cease to be in full force and effect, or the validity thereof or the applicability thereof to the Advances, the Obligations or any other obligations purported to be secured or guaranteed thereby or any part thereof, shall be disaffirmed by or on behalf of any Obligor party thereto (other than Administrative Agent or Collateral Agent).

11.1.14. Governmental Approvals and Required Approvals . Any Borrower shall fail to obtain, renew, maintain or comply in all material respects with any Required Approval or any such Required Approval shall be rescinded, terminated, suspended, modified, withdrawn or withheld or shall be determined to be invalid or shall cease to be in full force and effect and such circumstances could reasonably be expected to result in a Material Adverse Effect; or any proceedings shall be commenced by or before any Governmental Authority for the purpose of rescinding, terminating, suspending, modifying, withdrawing or withholding any such Required Approval and such proceedings could reasonably be expected to result in a Material Adverse Effect.

11.1.15. Foreign Asset Control Regulations; Anti-Bribery and Anti-Corruption Laws . Any disbursements of the Loan Facility or the use of the proceeds thereof shall violate Anti-Bribery and Anti-Corruption Laws or the Foreign Asset Control Regulations in any material respect.

11.1.16. Anti-Terrorism and Money Laundering Laws. Any Obligor or any of their respective Principal Persons shall fail to comply in any material respects with the Anti-Terrorism and Money Laundering Laws.

11.1.17. Investment Company Act of 1940. Any failure by any Obligor to qualify for an exclusion from registration as an investment company under the Investment Company Act of 1940.

11.1.18. Watched Loans. At any time prior to the Maturity Date, fifty percent (50%) or more of the total Approved Financings are Watched Loans.

11.2. Remedies upon Default.

11.2.1. Upon the occurrence and continuation of (%4) any Event of Default described in Section 11.1.7 or 11.1.8 in respect of any Borrower, automatically, and (%4) during the continuance of any other Event of Default and after notice to Borrower Agent by Administrative Agent (at the direction of the Required Lenders), (i) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by Borrower: (A) the unpaid principal amount of and accrued interest on the Loans and (B) all other Obligations and the obligations of the Borrowers to cash collateralize the L/C Obligations shall automatically become effective; (ii) Administrative Agent may direct Collateral Agent to enforce any and all Liens and security interests created in the Collateral of Borrowers pursuant to the Security Documents; (iii) Administrative Agent may exercise any and all rights and remedies available to it with respect to the Eligible Collateral, any Obligor under any Material Underlying Financing Document to which such Obligor is a party, or any Material Underlying Financing Participant under any Material Underlying Financing Document or otherwise under Applicable Laws and (iv) with respect to clause (a), the obligation of each Lender to make Loans and any obligations of the applicable Issuing Bank to issue Letters of Credit shall automatically terminate, and with respect to clause (b) declare the

Commitment of each Lender to make Loans and any obligations of the applicable Issuing Bank to issue Letters of Credit to be terminated, whereupon such Commitments and obligations shall be terminated.

11.2.2. In addition to the rights and remedies provided to Administrative Agent in Sections 11.2.1 and 11.2.3 upon the occurrence of and during the continuation of any Event of Default, Administrative Agent shall, at the direction of, or may with the consent of, the Required Lender, have the right to exercise all rights of each Borrower with respect to each Approved Financing.

11.2.3. Each Borrower acknowledges and agrees that Administrative Agent shall have the continuing and exclusive right to apply and reapply proceeds of Collateral against the Obligations, in such manner as Administrative agent deems advisable.

11.3. Sub-License. Each Agent is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of Borrowers, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, for the purpose, upon the occurrence and during the continuation of any Event of Default, of advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral or other Property of any Borrower. Each Borrower's rights and interests under Intellectual Property shall inure to Agents' benefit.

11.4. Setoff. At any time during the existence of an Event of Default, Administrative Agent, Lenders, Issuing Banks and any of their respective Affiliates are authorized, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by Administrative Agent, or any such Lender, Issuing Bank or Affiliate to or for the credit or the account of an Obligor against any Obligations, whether or not Administrative Agent, such Lender, such Issuing Bank or such Affiliate shall have made any demand under any Loan Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of Administrative Agent, such Lender, such Issuing Bank or such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness. The rights of Administrative Agent, each Lender, each Issuing Bank and each such Affiliate under this Section 11.4 are in addition to other rights and remedies (including other rights of setoff) that such Person may have. Administrative Agent , each Lender and each Issuing Bank agrees to use reasonable efforts to notify Borrower Agent and Administrative Agent promptly after any such setoff and application; provided, however, that (i) the failure to give such notice shall not affect the validity of such setoff and (ii) none of the Administrative Agent, any Lender nor any Issuing Bank shall have any liability in the event of any failure to give such notice.

11.5. Remedies Cumulative; No Waiver.

11.5.1. Cumulative Rights. All agreements, warranties, guaranties, indemnities and other undertakings of Obligors under the Loan Documents are cumulative and not in derogation of each other. The rights and remedies of Agents, Issuing Banks and Lenders under the Loan Documents are cumulative, may be exercised at any time and from time to time, concurrently or in any order, and are not exclusive of any other rights or remedies available by agreement, by law, at equity or otherwise. All such rights and remedies shall continue in full force and effect until Full Payment of all Obligations.

11.5.2. Waivers. No waiver or course of dealing shall be established by (a) the failure or delay of any Agent, any Issuing Bank or any Lender to require strict performance by any Obligor under any Loan Document, or to exercise any rights or remedies with respect to Collateral or otherwise; (b) the making of any Loan during a Default, Event of Default or other failure to satisfy any conditions precedent; or (c) acceptance by any Agent, any Issuing Bank or any Lender of any payment or performance by an Obligor under any Loan Documents in a manner other than that specified therein. Any failure to satisfy a financial covenant on a measurement date shall not be cured or remedied by satisfaction of such covenant on a subsequent date.

SECTION 12. AGENT

12.1. Appointment and Authority. Each of Lenders and Issuing Banks hereby irrevocably appoints Bank of America to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 12 are solely for the benefit of Administrative Agent, Lenders and Issuing Banks and neither Borrowers nor any other Obligor shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

12.2. Exculpatory Provisions.

12.2.1. No Duty. Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing,

Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity; and

(d) shall not have any responsibility, duty or liability for monitoring or enforcing the list of Approved Banks or for any assignment of any Loan or Commitment or for the sale of any participation, in either case, to a Person that is not an Approved Bank.

12.2.2. Required Lenders. Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 14.1 and 11.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to Administrative Agent by Borrowers, a Lender or an Issuing Bank.

12.2.3. Reliance. Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 6 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

12.3. Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, or Issuing Bank, Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Loan. Administrative Agent may consult with legal counsel (who may be counsel for Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12.4. Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 12 shall apply to any such sub-agent and to the Related Parties of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

12.5. Resignation of Administrative Agent.

12.5.1. Resignation. Administrative Agent may at any time give notice of its resignation to Lenders, Issuing Banks and Borrowers; provided that Bank of America will not resign as Administrative Agent unless otherwise required by law or in order to comply with regulatory requirements applicable to it; provided, further, that any successor to Bank of America by merger or acquisition of stock shall continue to be Administrative Agent hereunder without further act on the part of any Secured Party or Obligor. Upon receipt of any such notice of resignation, Required Lenders shall have the right, in consultation with Borrowers, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of Lenders and Issuing Banks, appoint a successor Administrative Agent

meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

12.5.2. Removal. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to Borrower Agent and such Person remove such Person as Administrative Agent and, in consultation with Borrowers, appoint a successor. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

12.5.3. Effect of Resignation or Removal. With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender and each Issuing Bank directly, until such time, if any, as Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 5.7.6 and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 12.5). The fees payable by Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrowers and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Section 12 and Section 14.2 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

12.5.4. Effect of Resignation on Issuing Bank. Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an Issuing Bank. If Bank of America resigns as an Issuing Bank, it shall retain all the rights, powers, privileges and duties of and Issuing Bank hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an Issuing Bank and all L/C Obligations with respect thereto, including the right to require the Lenders to make L/C Advances or fund risk participations in Unreimbursed Amounts pursuant to Sections 2.4.7 and 2.4.8. Upon the appointment by the Borrower of any successor Issuing Bank hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank, (b) the retiring Issuing Bank shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to retiring Issuing Bank to effectively assume the obligations of retiring Issuing Bank with respect to such Letters of Credit.

12.6. Non-Reliance on Administrative Agent and Other Lenders. Each Lender and Issuing Bank acknowledges that it has, independently and without reliance upon Administrative Agent, any arranger of this credit facility or any amendment thereto, or any other Lender or Issuing Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Bank also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document or any related agreement or any document furnished hereunder or thereunder.

12.7. No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent, Collateral Agent, or a Lender or Issuing Bank hereunder.

12.8. Administrative Agent May File Proofs of Claim.

12.8.1. Authorization. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Borrower or Guarantor, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders, Issuing Banks and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and Advances of Lenders, Issuing Banks and Administrative Agent and their respective agents and counsel and all other amounts due Lenders, Issuing Banks and Administrative Agent under Sections 3.2, 3.4 and 14.2) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Issuing Bank to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lenders or Issuing Banks, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 3.2, 3.4 and 14.2.

12.8.2. No Reorganization Authorization. Nothing contained herein shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank to authorize Administrative Agent to vote in respect of the claim of any Lender or Issuing Bank in any such proceeding.

12.9. Collateral and Guaranty Matters.

12.9.1. Further Authorization. Without limiting the provisions of Section 12.8, Lenders and Issuing Banks irrevocably authorize Administrative Agent, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by Administrative Agent under any Loan Document (i) upon the Commitment Termination Date and Full Payment of all Obligations, (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 14.1, if approved, authorized or ratified in writing by Required Lenders; and

(b) to subordinate any Lien on any property granted to or held by Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 10.2.2.

12.9.2. Confirmation of Release Authority. Upon request by Administrative Agent at any time, Required Lenders will confirm in writing Administrative Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 12.9.

12.9.3. Reliance. Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of Administrative Agent's Lien thereon, or any certificate prepared by any Borrower or Guarantor in connection therewith, nor shall Administrative Agent be responsible or liable to Lenders or Issuing Banks for any failure to monitor or maintain any portion of the Collateral.

12.10. Certain ERISA Matters. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Obligor, that at least one of the following is and will be true:

(a) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments;

(b) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

(c) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(d) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

SECTION 13. BENEFIT OF AGREEMENT; ASSIGNMENTS

13.1. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 13.3 or (ii) by way of participation in accordance with the provisions of Section 13.2 (and any other attempted assignment or transfer by any party hereto shall be

null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 13.2 and, to the extent expressly contemplated hereby, the Related Parties of each of Administrative Agent, Issuing Banks and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

13.2. Participations.

13.2.1. Participations. Any Lender may at any time, without the consent of, or notice to, Borrowers or Administrative Agent, sell participations to any Approved Bank (other than a natural Person, a Defaulting Lender or Borrowers or any of Borrowers' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations (iii) Borrowers, Administrative Agent, Issuing Banks and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 14.2.2 without regard to the existence of any participation and (iv) so long as an Event of Default has occurred and is continuing, any Lender may sell participations to any Person (other than a natural Person or a Defaulting Lender) without the consent of, or notice to, Borrowers.

13.2.2. Participation Instruments. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 14.1.1 that affects such Participant. Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.7, 3.8 and 5.7 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 13.3 (it being understood that the documentation required under Section 5.8 shall be delivered to Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 13.3; provided that such Participant (A) agrees to be subject to the provisions of Sections 5.9, 13.4 and 14.11 as if it were an assignee pursuant to Section 13.3 and (B) shall not be entitled to receive any greater payment under Sections 3.7, 3.8 and 5.7, with respect to any participation, than Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at Borrowers' request and expense, to use reasonable efforts to cooperate with Borrowers to effectuate the provisions of Section 5.9.1 or 5.9.2, with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 5.5.5 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

13.2.3. Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Borrower Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

13.3. Assignments.

13.3.1. Permitted Assignments. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this Section 13.3.1, participations in L/C Obligations) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(a) Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(b) No consent from any Person shall be required for any assignment of Loans or Commitments except:

(i) the consent of Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed);

(ii) so long as no Event of Default has occurred and is continuing, the consent of the Borrower Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required, unless such assignment is to a Lender, an Affiliate of such Lender or an Approved Bank, in which case no consent from the Borrower Agent or any other Borrower shall be required; provided that, to the extent Borrower Agent consent is required in accordance with this clause (ii) and such assignment is for less

than $5,000,000, Borrower Agent shall deemed to have consented to any such assignment unless it shall object thereto by written notice to Administrative Agent within five (5) Business Days after having received notice thereof; and

(iii) the consent of each Issuing Bank (such consent not to be unreasonably withheld, conditioned or delayed).

(c) The parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

(d) No such assignment shall be made (i) to any Borrower or any Affiliate or Subsidiary of any Borrower, (ii) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii), or (iii) to a natural Person.

(e) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or other compensating actions, including funding, with the consent of Borrower Agent and Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent, any Issuing Bank or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this clause (g), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

13.3.2. Accession; Survival. Subject to acceptance and recording thereof by Administrative Agent pursuant to Section 13.3.3, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits and obligations of Sections 3.7, 3.8, 5.7, 5.9.1, 5.9.2, 14.2 and 14.11 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, Borrowers (at their expense) shall execute and deliver a Borrower Note(s) to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.3.2 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 13.2.

13.3.3. Register. Administrative Agent, acting solely for this purpose as an agent of Borrowers (and such agency being solely for tax purposes), shall maintain at Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and the Register. The entries in the Register shall be conclusive absent manifest error, and Borrowers, Administrative Agent, Issuing Banks and Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrowers, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

13.3.4. Resignation as Issuing Bank after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to Section 13.3.1 above, Bank of America may, upon thirty (30) days' notice to the Administrative Agent, the Borrower and the Lenders, resign as an Issuing Bank. In the event of any such resignation as Issuing Bank, the Borrower shall be entitled to appoint from among the Lenders a successor Issuing Bank hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Issuing Bank. If Bank of America resigns as an Issuing Bank, it shall retain all the rights, powers, privileges and duties of an Issuing Bank hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an Issuing Bank and all L/C Obligations with respect thereto (including the right to require the Lenders to make L/C Advances or fund risk participations in Unreimbursed Amounts pursuant to Sections 2.4.7 and 2.4.8). Upon the appointment of a successor Issuing Bank, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank, and (b) the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to retiring Issuing Bank to effectively assume the obligations of the retiring Issuing Bank with respect to such Letters of Credit.

13.4. Replacement of Certain Lenders.

13.4.1. Replacement. If Borrowers are entitled to replace a Lender pursuant to the provisions of Section 5.9, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then Borrower Agent may, at its sole expense and effort, upon notice to such Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 13.1), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.7 and 5.7) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) Borrower shall have paid to Administrative Agent the assignment fee (if any) specified in Section 13.1;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.8) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 5.7 or payments required to be made pursuant to Section 3.7, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

13.4.2. No Assignment for Waiver. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

13.4.3. Notwithstanding anything in this Section to the contrary, (i) any Lender that acts as Issuing Bank may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Bank or the depositing of Cash Collateral into a Cash Collateral account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Bank) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 12.5.

SECTION 14. MISCELLANEOUS

14.1. Consents, Amendments and Waivers.

14.1.1. Amendment. No amendment or waiver of any provision of any Loan Document, and no consent to any departure by any Borrower or any other Obligor therefrom, shall be effective unless in writing signed by Required Lenders and each Borrower or the applicable Obligor, as the case may be, and acknowledged by Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 11.2) without the written consent of such Lender;

(b) postpone or extend any date fixed by or any Loan Document for any payment (including Mandatory Prepayments) of principal, interest, fees or other amounts due to Lenders (or any of them) hereunder or under any other Loan Document or postpone or extend any scheduled Commitment reduction without the written consent of each Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or (subject to clause (ii) of the proviso to this clause (d)) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to such amount; provided, however, that only the consent of Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(d) change Section 5.5.2 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(e) change any provision of this Section 14.1 or the definition of "Required Lenders", "Super-Majority Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(f) except as set forth in Section 8.1.4, release all or substantially all of the Collateral or substantially all of the value of the Guaranty, in each case, without the written consent of each Lender;

(g) without the prior written consent of all Lenders, change the definition of the terms "Available Amount" or "Borrowing Base", provided that any defined term used therein may be changed with only the prior written consent of the Super-Majority Lenders;

(h) without the prior written consent of the Super-Majority Lenders, amend, modify or waive any provision of the Underlying Financing Criteria.

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent in addition to Lenders required above, affect the rights or duties of Administrative Agent under any Loan Document; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Banks in addition to the Lenders required above, affect the rights or duties of the Issuing

Banks under this Agreement or any document relating to any Letter of Credit issued or to be issued by it and (iii) the Engagement Letter and Bank of America Letter Agreement may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

14.1.2. Limitations. The agreement of any Borrower shall not be required for any modification of a Loan Document that deals solely with the rights and duties of Lenders and Administrative Agent as among themselves. Any waiver or consent granted by Administrative Agent or Lenders hereunder shall be effective only if in writing and only for the matter specified.

14.1.3. Payment for Consents. Each Borrower shall not, directly or indirectly, pay any remuneration or other thing of value, whether by way of additional interest, fee or otherwise, to any Lender (in its capacity as a Lender hereunder) as consideration for agreement by such Lender with any modification of any Loan Documents, unless such remuneration or value is concurrently paid, on the same terms, on a pro rata basis to all Lenders providing their consent.

14.2. Expenses; Indemnity; Damage Waiver.

14.2.1. Borrowers shall, jointly and severally, indemnify the Indemnitees against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall, jointly and severally, indemnify and hold harmless each Indemnitee from all fees incurred by any Indemnitee or asserted against any Indemnitee by any Person (including Borrowers and other Obligor) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 5.7), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Obligor or any of its Subsidiaries, or any Environmental Notice related in any way to Borrowers or other Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Obligor or their respective equity holders, Affiliates or creditors, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrowers or any other Obligor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 5.7, this Section 14.2.1 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

14.2.2. To the extent that Borrowers for any reason fail to indefeasibly pay any amount required under Section 3.4 or 14.2.1 to be paid by it to Administrative Agent (or any sub-agent thereof), any Issuing Bank or any of its Related Parties, each Lender severally agrees to pay to Administrative Agent (or any such sub-agent), such Issuing Bank or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the aggregate Outstanding Amount and L/C Obligations at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Administrative Agent (or any such sub-agent) or such Issuing Bank in its capacity as such or against any Related Party acting for Administrative Agent (or any such sub-agent) or such Issuing Bank in connection with such capacity. The obligations of Lenders under this Section 14.2.2 are subject to the provisions of Section 5.1.6.

14.2.3. To the fullest extent permitted by Applicable Law, Borrowers shall not assert, and hereby waive, and acknowledge that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in Section 14.2.1 above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

14.2.4. All amounts due under this Section 14.2 shall be payable not later than ten (10) Business Days after demand therefor.

14.2.5. The agreements in this Section 14.2 and the indemnity provisions herein shall survive the resignation of Administrative

Agent, the replacement of any Lender or Issuing Bank the termination of the aggregate Outstanding Amount, L/C Obligations and Commitments and the repayment, satisfaction or discharge of all the other Obligations.

14.3. Notices and Communications.

14.3.1. Notice Address. All notices and other communications by or to a party hereto shall be in writing and shall be given to any Borrower, at Borrower Agent's physical address or electronic address shown below, and to the Administrative Agent at its physical address or electronic address shown below (and in the case of a Lender, at the physical address or electronic address identified to the Administrative Agent in writing), or at such other address as a party may hereafter specify by notice in accordance with this Section 14.3. Each communication shall be effective only (a) if given by facsimile transmission or electronic mail, when transmitted to the applicable facsimile number or electronic address, if confirmation of receipt is received; (b) if given by mail, three (3) Business Days after deposit in the U.S. mail, with first-class postage pre-paid, addressed to the applicable address; or (c) if given by Personal delivery, when duly delivered to the notice address with receipt acknowledged. Notwithstanding the foregoing, no notice to Agent pursuant to Sections 2.5, 3.5, 3.7, 3.8, 4.1, 5.2, 5.7, 5.9.1, 10.1.1, 12.2 and 13.3 shall be effective until actually received by the individual to whose attention at Agent such notice is required to be sent. Any written communication that is not sent in conformity with the foregoing provisions shall nevertheless be effective on the date actually received by the noticed party. Any notice received by Borrower Agent shall be deemed received by all Borrowers.

Address for Borrowers: Titan Borrower (HASI) LLC, as Borrower Agent
c/o Hannon Armstrong Capital, LLC
1906 Towne Centre Blvd., Ste. 370
Annapolis, Maryland 21401
Attention: titan-rhea@hannonarmstrong.com

With a copy to

Hannon Armstrong Capital, LLC
1906 Towne Centre Blvd
Suite 370
Annapolis, Maryland 21401
Attention: General Counsel
Facsimile: (410) 571-6199
Email: generalcounsel@hannonarmstrong.com

Address for Administrative Agent: Bank of America
Mail Code NC1-026-06-03
900 W. Trade Street, Charlotte, NC 28255
Attention: Priscilla L Ruffin

14.3.2. Electronic Communications; Voice Mail. Electronic mail and internet websites may be used for routine communications, such as delivery of Borrower Materials, administrative matters, and distribution of Loan Documents. Administrative Agent, Issuing Banks and Lenders make no assurances as to the privacy and security of electronic communications. Electronic and voice mail may not be used as effective notice under the Loan Documents.

14.3.3. Platform. Borrowers hereby acknowledge that (a) Administrative Agent may, but shall not be obligated to, make available to Lenders and Issuing Banks Borrower Materials by posting Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to Borrowers or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Borrowers hereby agree that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Borrowers shall be deemed to have authorized Administrative Agent, Issuing Banks and Lenders to treat such Borrower Materials as not containing any material non-public information with respect to Borrowers or their securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 14.11); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrowers, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Borrowers', any other Obligor's or Administrative Agent's transmission of Borrower Materials through the Internet; except to the extent that a court of competent

jurisdiction by final and nonappealable judgment has determined that such losses, claims, damages, liabilities or expenses arising out of Administrative Agent's transmission of Borrower Materials resulted from the gross negligence or willful misconduct of such Agent Party.

14.3.4. Performance of Borrowers' Obligations. Each Agent may, in its discretion at any time and from time to time, at Borrowers' expense, pay any amount or do any act required of a Borrower under any Loan Documents or otherwise lawfully and reasonably requested by Administrative Agent to (a) enforce any Loan Documents or collect any Obligations; (b) protect, insure, maintain or realize upon any Collateral; or (c) defend or maintain the validity or priority of Collateral Agent's Liens in any Collateral, including any payment of a judgment, insurance premium, warehouse charge, finishing or processing charge, or landlord claim, or any discharge of a Lien. All payments, costs and expenses (including Extraordinary Expenses) of any Agent under this Section 14.3.4 shall be reimbursed to such Agent by Borrowers on demand, with interest from the date incurred until paid in full, at the Default Rate applicable to Loans. Any payment made or action taken by Agents under this Section 14.3.4 shall be without prejudice to any right to assert an Event of Default or to exercise any other rights or remedies under the Loan Documents.

14.3.5. Credit Inquiries. Administrative Agent and Lenders may (but shall have no obligation) to respond to usual and customary credit inquiries from third parties concerning any Obligor

14.3.6. Non-Conforming Communications. Agents and Lenders may rely upon any communications purportedly given by or on behalf of any Borrower even if they were not made in a manner specified herein, were incomplete or were not confirmed, or if the terms thereof, as understood by the recipient, varied from a later confirmation. Each Borrower shall, jointly and severally, indemnify and hold harmless each Indemnitee from any liabilities, losses, costs and expenses arising from any electronic or telephonic communication purportedly given by or on behalf of a Borrower.

14.4. Severability. Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under Applicable Law. If any provision is found to be invalid under Applicable Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

14.5. Cumulative Effect; Conflict of Terms. The provisions of the Loan Documents are cumulative. The parties acknowledge that the Loan Documents may use several limitations or measurements to regulate similar matters, and they agree that these are cumulative and that each must be performed as provided. Except as otherwise provided in another Loan Document (by specific reference to the applicable provision of this Agreement), if any provision contained herein is in direct conflict with any provision in another Loan Document, the provision herein shall govern and control.

14.6. Counterparts; Execution. Any Loan Document may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when Administrative Agent has received counterparts bearing the signatures of all parties hereto. Delivery of a signature page of any Loan Document by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of such agreement.

14.7. Electronic Execution of Assignments and Certain Other Documents. The words "execute," "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

14.8. Entire Agreement. Time is of the essence with respect to all Loan Documents and Obligations. The Loan Documents constitute the entire agreement, and supersede all prior understandings and agreements, among the parties relating to the subject matter thereof.

14.9. Relationship with Lenders. The obligations of each Lender hereunder are several, and no Lender shall be responsible for the obligations or Commitments of any other Lender. Amounts payable hereunder to each Lender shall be a separate and independent debt. It shall not be necessary for Administrative Agent or any other Lender to be joined as an additional party in any proceeding for such purposes. Nothing in this Agreement and no action of Administrative Agent, Lenders or any other Secured Party pursuant to the Loan Documents or otherwise shall be deemed to constitute Administrative Agent and any Secured Party to be a partnership, joint venture or similar arrangement, nor to constitute control of any Obligor.

14.10. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated by any Loan Document, Borrowers and each Obligor acknowledge and agree, and acknowledges their respective Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents and Lenders are arm's-length commercial transactions between Borrowers and their respective Affiliates, on the one hand, and the Agents and Lenders, on the other hand, (B) each of Borrowers have consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) Borrowers are capable of

evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agents and each Lender are and have been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrowers or any of their respective Affiliates, or any other Person and (B) neither the Agents nor any Lender have any obligation to Borrowers or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents and Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrowers and their respective Affiliates, and neither the Agents nor any Lender have any obligation to disclose any of such interests to Borrowers or any of their respective Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against the Agents or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

14.11. Confidentiality. Each of Agents, Issuing Banks and Lenders shall (and each Lender shall require any Participants to which such Lender sells participations to covenant to) maintain the confidentiality of all Information, except that Information may be disclosed (except and to the extent restricted by any letter agreement entered into on the date hereof) (a) to its Affiliates, and to its and their partners, directors, officers, employees, agents, advisors and representatives (provided that such Persons are informed of the confidential nature of the Information and instructed to keep it confidential and disclosure is limited to information necessary for such Agents, Issuing Banks and Lenders to perform obligations and exercise their rights under this Agreement); (b) to the extent requested by any governmental, regulatory or self-regulatory authority purporting to have jurisdiction over it or its Affiliates; (c) to the extent required by Applicable Law or by any subpoena or other legal process; (d) to any other party hereto; (e) in connection with any action or proceeding relating to any Loan Documents or Obligations; (f) subject to an agreement containing provisions substantially the same as this Section 14.11, to any transferee or any actual or prospective party (or its advisors) to any swap, derivative or other transaction under which payments are to be made by reference to an Obligor or an Obligor's obligations; (g) with the consent of Borrower Agent; or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 14.11 or (ii) is available to any Agent, any Issuing Bank, any Lender or any of their Affiliates on a non-confidential basis from a source other than Borrowers. Notwithstanding the foregoing, Administrative Agent, Issuing Banks and Lenders may publish or disseminate general information (but not details concerning individual Underlying Financings) concerning this credit facility for league table, tombstone and advertising purposes, and may use any Borrower's logos, trademarks or product photographs in advertising materials. As used herein, "Information" means all information received from an Obligor or Underlying Borrower or Underlying Obligor or representatives or advisers of any of the foregoing relating to it or its business that is not identified as being Public when delivered. Any Person required to maintain the confidentiality of Information pursuant to this Section 14.11 shall be deemed to have complied if it exercises a degree of care similar to that which it accords its own confidential information. Each of Agents Issuing Banks and Lenders acknowledges that (x) Information may include material non-public information; (y) it has developed compliance procedures regarding the use of material non-public information; and (z) it will handle such material non-public information in accordance with Applicable Law.

14.12. GOVERNING LAW. UNLESS EXPRESSLY PROVIDED IN ANY LOAN DOCUMENT, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ALL CLAIMS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND FEDERAL LAWS RELATING TO NATIONAL BANKS.

14.13. Consent to Forum.

14.13.1. Forum. **EACH BORROWER HEREBY CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT SITTING IN OR WITH JURISDICTION OVER NEW YORK COUNTY, THE STATE OF NEW YORK AND THE SOUTHERN DISTRICT OF NEW YORK IN ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING RELATING IN ANY WAY TO ANY LOAN DOCUMENTS, AND AGREES THAT ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING SHALL BE BROUGHT BY IT SOLELY IN ANY SUCH COURT. EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL CLAIMS, OBJECTIONS AND DEFENSES THAT IT MAY HAVE REGARDING ANY SUCH COURT'S PERSONAL OR SUBJECT MATTER JURISDICTION, VENUE OR INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS. WITHOUT PREJUDICE TO ANY OTHER MODE OF SERVICE, EACH BORROWER IRREVOCABLY APPOINTS CORPORATION SERVICE COMPANY AS ITS AGENT FOR SERVICE OF PROCESS IN THE STATE OF NEW YORK; EACH BORROWER AGREES THAT FAILURE BY ITS AGENT FOR SERVICE OF PROCESS TO NOTIFY SUCH BORROWER OF THE SERVICE OF PROCESS WILL NOT INVALIDATE THE PROCEEDINGS CONCERNED; AND EACH BORROWER CONSENTS TO THE SERVICE OF PROCESS RELATING TO ANY SUCH PROCEEDINGS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO SUCH BORROWER AT ITS ADDRESS SET FORTH HEREIN.** A final judgment in any proceeding of any such court shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or any other manner provided by Applicable Law.

14.13.2. Other Jurisdictions. Nothing herein shall limit the right of Administrative Agent, any Issuing Bank or any Lender to bring proceedings against any Borrower in any other court, nor limit the right of any party to serve process in any other manner permitted by Applicable Law. Nothing in this Agreement shall be deemed to preclude enforcement by Agents of any judgment or order obtained in any forum or jurisdiction.

14.14. Waivers by each Borrower. To the fullest extent permitted by Applicable Law, each Borrower waives (a) the right to trial by jury (which Agents, each Issuing Bank and each Lender hereby also waives) in any proceeding or dispute of any kind relating

in any way to any Loan Documents, Obligations or Collateral; (b) presentment, demand, protest, notice of presentment, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any commercial paper, accounts, documents, instruments, chattel paper and guaranties at any time held by any Agent on which any Borrower may in any way be liable, and hereby ratifies anything Agents may do in this regard; (c) notice prior to taking possession or control of any Collateral; (d) any bond or security that might be required by a court prior to allowing Agents to exercise any rights or remedies; (e) the benefit of all valuation, appraisement and exemption laws; (f) any claim against Agents or any Lender, on any theory of liability, for special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) in any way relating to any Enforcement Action, Obligations, Loan Documents or transactions relating thereto; and (g) notice of acceptance hereof. Each Borrower acknowledges that the foregoing waivers are a material inducement to Administrative Agent, Issuing Banks and Lenders entering into this Agreement and that they are relying upon the foregoing in their dealings with Borrowers. Each Borrower has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial and other rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

14.15. Patriot Act Notice. Each Lender that is subject to the Patriot Act and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrowers that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Borrowers, which information includes the name and address of Borrowers and other information that will allow such Lender or Administrative Agent, as applicable, to identify Borrowers in accordance with the Patriot Act. Borrowers shall, promptly following a request by Administrative Agent or any Lender, provide all documentation and other information that Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and Anti-Terrorism and Money Laundering Laws, including the Patriot Act.

14.16. Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

14.16.1. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or Issuing Bank that is an EEA Financial Institution arising under any Loan Document, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or Issuing Bank that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

14.17. NO ORAL AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

14.18. Lender Acknowledgement. By its execution and delivery hereof, each Lender acknowledges and agrees that they have received a copy of the Approved Bank Side Letter.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date set forth above.

RHEA BORROWER (HASI) LLC, as a Borrower
/s/ Jeffrey W. Eckel
_____

By: Jeffrey W. Eckel
Title: President

RHEA BORROWER (HAT I) LLC, as a Borrower
/s/ Jeffrey W. Eckel

_____

By: Jeffrey W. Eckel
Title: President

RHEA BORROWER (HAT II) LLC, as a Borrower
/s/ Jeffrey W. Eckel

_____

By: Jeffrey W. Eckel
Title: President

AGENT, LENDERS AND ISSUING BANKS:

BANK OF AMERICA, N.A.,
as Administrative Agent
/s/ Priscilla L Ruffin

By: __
Name: Priscilla L Ruffin
Title: Assistant Vice President, Agency Management

BANK OF AMERICA, N.A.,
as Lender and Issuing Bank
/s/ Claudia Welch

By: __
Name: Claudia Welch
Title: Director

[Signature Page to Loan Agreement (Approval-Based)]

NOMURA CORPORATE FUNDING AMERICAS, LLC,
as Lender
/s/ Vinod Mukani

By:_____
Name: Vinod Mukani
Title: Managing Director

Address:
Nomura Corporate Funding Americas, LLC
__
__
__
__
Attention:___
Telephone:___
Telecopier: __

[Signature Page to Loan Agreement (Approval-Based)]

LIMITED GUARANTY (REP-BASED)

December 13, 2018

FOR VALUE RECEIVED, the sufficiency of which is hereby acknowledged, and in consideration of credit and/or financial accommodation heretofore or hereafter from time to time made or granted to Titan Borrower (HASI) LLC, a Delaware limited liability company ("Borrower HASI"), Titan Borrower (HAT I) LLC, a Delaware limited liability company ("Borrower HAT I"), and Titan Borrower (HAT II) LLC, a Delaware limited liability company ("Borrower HAT II", and together with Borrower HASI and Borrower HAT I, collectively, the " Borrowers"), by the lenders party to that certain Loan Agreement (as defined in Annex A) from time to time, including without limitation Bank of America, N.A. (collectively, the " Lenders"), the undersigned Guarantors (each a "Guarantor" and collectively "Guarantors"), as indirect owners of each Borrower, hereby furnishes their guaranty of the Guaranteed Obligations (as hereinafter defined) as follows for the benefit of Bank of America, N.A., as administrative agent (in such capacity, and including any permitted successors or assigns, "Administrative Agent") acting on behalf of and for the benefit of the Secured Parties:

1. Definitions. Terms used herein shall have the meanings set forth on Annex A attached hereto. Terms used but not defined in this Guaranty shall have the meanings set forth in the Loan Agreement (Rep-Based), dated as of December 13, 2018, by and among the Borrowers, Administrative Agent, Issuing Banks, the Lenders and the other parties thereto from time to time (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Loan Agreement"), and the rules of construction set forth therein shall apply hereto.

2. Guaranty. The Guarantors, jointly and severally, hereby absolutely and unconditionally guarantee, as a guaranty of payment and not merely as a guaranty of collection, and promise to pay to the Administrative Agent for the benefit of the Secured Parties, (i) (a) any and all amounts required to be paid by the Borrowers pursuant to and in accordance with Section 8.1.3(f)(vii), Section 8.1.3(g) or Section 8.1.3(h) of the Loan Agreement, (b) any and all Ineligible Asset Fees required to be paid by the Borrowers pursuant to and in accordance with Section 7.1.2, Section 8.1.3(f)(iii) and Section 8.1.3(f)(iv) of the Loan Agreement, and (c) any and all reasonable and documented third-party costs and expenses of the Administrative Agent incurred in connection with any and all due diligence performed by the Administrative Agent as a result of or due to a Non-Fundamental Distressed Asset, Fundamental Distressed Asset or Approved Financing that is subject to Specified Ground Lease Default and any and all reasonable and documented third-party costs and expenses incurred in connection with the negotiation, preparation, drafting and review of any waivers, consents, modifications or other documents in connection therewith (solely to the extent such expenses are payable by the Borrowers under the Loan Documents), and (ii) any and all existing and future indebtedness, liabilities (including without limitation such Obligations) losses, damages, claims or other obligations of every kind, nature and character, direct or indirect, absolute or contingent, liquidated or unliquidated, voluntary or involuntary, including reasonable and documented out-of-pocket third-party fees (including attorneys' fees), costs and expenses, and whether for principal, interest, premiums, fees indemnities, damages, costs, expenses or otherwise, whether associated with any credit or other financial accommodation made to or for the benefit of the Obligors by the Secured Parties or otherwise and whenever created, arising, evidenced or acquired (including all renewals, extensions, amendments, refinancings and other modifications thereof and all reasonable and documented, out of pocket third-party fees costs and expenses, including attorneys' fees and expenses incurred by the Secured Parties in connection with the collection or enforcement thereof), incurred or suffered by any Secured Party arising out of or in connection with a Recourse Event (solely to the extent such expenses are payable by the Borrowers under the Loan Documents), and, in each case of clause (i) and (ii), whether recovery upon such amounts, costs, fees indebtedness and liabilities may be or

hereafter become unenforceable or shall be an allowed or disallowed claim under any proceeding or case commenced by or against any Guarantor or any other Obligor under the Bankruptcy Code (Title 11, United States Code), any successor statute or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (collectively, "Debtor Relief Laws"), and including interest that accrues after the commencement by or against any Obligor of any proceeding under any Debtor Relief Laws (Section 2(i) and (ii), collectively, the "Guaranteed Obligations"). Administrative Agent's books and records showing the amount of the Guaranteed Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon the Guarantors and conclusive, absent manifest error, for the purpose of establishing the amount of the Guaranteed Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any instrument or agreement evidencing any Guaranteed Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Guaranteed Obligations which might otherwise constitute a defense to the obligations of the Guarantors under this Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing (other than, subject to Section 8, a defense of payment in full).

3. No Setoff or Deductions; Taxes; Payments. Each Guarantor represents and warrants that it is organized and resident in the United States of America. The Guarantors shall make all payments hereunder in accordance with Section 5.7 of the Loan Agreement which provisions shall be herein incorporated by reference *mutatis mutandis*. The obligations of each Guarantor under this paragraph shall survive the payment in full of the Guaranteed Obligations and termination of this Guaranty.

4. Rights of Lender. Each Guarantor consents and agrees that the Secured Parties may at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Guaranteed Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Guaranteed Obligations; (c) apply such security and direct the order or manner of sale thereof as the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of the Guarantors under this Guaranty or which, but for this provision, might operate as a discharge of one or more of the Guarantors.

5. Certain Waivers. Each Guarantor waives (a) any defense arising by reason of any disability or other defense of any Obligor or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of any Obligor; (b) any defense based on any claim that a Guarantor's obligations exceed or are more burdensome than those of the other Obligors; (c) the benefit of any statute of limitations affecting any Guarantor's liability hereunder; (d) any right to require a Secured Party to proceed against one or more of the Borrowers or other Obligors, proceed against or exhaust any security for the Guaranteed Obligations, or pursue any other remedy in any Secured Party's power whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by the Secured Parties; and (f) to the fullest extent permitted by law, any and all other defenses or benefits (other than, subject to Section 8, a defense of payment in full) that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any

kind or nature whatsoever with respect to the Guaranteed Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Guaranteed Obligations.

6. Obligations Independent. The obligations of the Guarantors hereunder are those of primary obligor, and not merely as surety, and are independent of the Guaranteed Obligations and the obligations of any other guarantor, and a separate action may be brought against a Guarantor to enforce this Guaranty whether or not the other Obligors or any other person or entity is joined as a party.

7. Subrogation. No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Guaranteed Obligations and all other amounts payable under this Guaranty have been indefeasibly paid in full in cash and performed in full and Full Payment of all Obligations under the Loan Documents has occurred. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Administrative Agent, for the benefit of the Secured Parties, to reduce the amount of the Guaranteed Obligations, whether matured or unmatured.

8. Termination; Reinstatement. This Guaranty is a continuing and irrevocable guaranty of all Guaranteed Obligations now or hereafter existing and shall remain in full force and effect until (i) all Guaranteed Obligations, including without limitation, any amounts payable under this Guaranty, are indefeasibly paid in full in cash and any commitments of the Lenders and Issuing Banks or facilities provided by the Lenders and Issuing Banks with respect to the Guaranteed Obligations are terminated and (ii) the Full Payment of all Obligations. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of any Guarantor or any other Obligor is made, or any Secured Party or any of its Affiliates exercises its right of setoff, in respect of the Guaranteed Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the applicable Secured Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction of this Guaranty or any other Loan Document. The obligations of the Guarantors under this paragraph shall survive termination of this Guaranty.

9. Subordination. Without in any way limiting the obligations of the Obligors under the Loan Documents, each Guarantor hereby subordinates the payment of all obligations and indebtedness of the Borrowers owing to such Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of any Borrower to a Guarantor as subrogee of a Secured Party or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Guaranteed Obligations. If a Secured Party so requests, any such obligation or indebtedness of the Borrowers to the Guarantors shall be enforced and performance received by the Guarantors as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Administrative Agent, for the benefit of the Secured Parties, on account of the Guaranteed Obligations, but without reducing or affecting in any manner the remaining liability of the Guarantors under this Guaranty. For the avoidance of doubt, this Section 9 shall not be deemed to apply to any Restricted Payment to a Guarantor to the extent that such Restricted Payment is permitted to be paid and distributed to a Guarantor in accordance with the Loan Documents.

10. Stay of Acceleration. In the event that acceleration of the time for payment of any of the Guaranteed Obligations is stayed, in connection with any case commenced by or against any Guarantor or

any Borrower under any Debtor Relief Laws or otherwise, all such amounts shall nonetheless be payable by such Guarantor immediately upon demand by the Secured Parties.

11. Expenses. The Guarantors shall, jointly and severally, pay within ten (10) Business Days of request all reasonable and documented out-of-pocket third-party fees and expenses (including attorneys' fees and expenses) in any way relating to the enforcement or protection of the Secured Parties' rights under this Guaranty or in respect of the Guaranteed Obligations, including any incurred during any "workout" or restructuring in respect of the Guaranteed Obligations and any incurred in the preservation, protection or enforcement of any rights of the Secured Parties in any proceeding under any Debtor Relief Laws. The obligations of the Guarantors under this paragraph shall survive the payment in full of the Guaranteed Obligations and termination of this Guaranty.

12. Miscellaneous. No provision of this Guaranty may be waived, amended, supplemented or modified, except by a written instrument executed by the Administrative Agent, Required Lenders and the Guarantors. No failure by any Secured Party to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or in equity. The unenforceability or invalidity of any provision of this Guaranty shall not affect the enforceability or validity of any other provision herein. Unless otherwise agreed by the Lenders, the Administrative Agent and the Guarantors in writing, this Guaranty is not intended to supersede or otherwise affect any other guaranty now or hereafter given by the Guarantors for the benefit of any Secured Party under the Loan Documents or any term or provision thereof.

13. Condition of Obligors. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the other Obligors such information concerning the financial condition, business and operations of each Obligor as the Guarantors require, and that no Secured Party has any duty, and the Guarantors are not relying on any Secured Party at any time, to disclose to the Guarantors any information relating to the business, operations or financial condition of any Obligor or any other guarantor (the Guarantors waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

14. Setoff. If and to the extent any payment is not made when due hereunder, the Administrative Agent, each Issuing Bank and each Lender is authorized, to the fullest extent permitted by Applicable Law, to set off and apply any and all accounts and deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Administrative Agent, such Issuing Bank or such Lender to or for the credit or the account of a Guarantor, against any amount so due, whether or not such Lender shall have made any demand under any Loan Document and although such amount may be owed to a branch or office of the Administrative Agent, such Issuing Bank or such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Administrative Agent, Issuing Banks and the Lender under this Section 14 are in addition to other rights and remedies (including other rights of setoff) that such Person may have. The Administrative Agent, Issuing Banks and the Lenders agree to use reasonable efforts to notify the applicable Guarantor promptly after any such setoff and application; provided that (i) the failure to give such notice shall not affect the validity of such setoff and application and (ii) none of the Administrative Agent, any Issuing Bank or any Lender shall have any liability in the event of any failure to give such notice.

15. Representations; Warranties and Covenants.

(c) *General Representations and Warranties*. In order to induce the Agents, Issuing Banks and the Lenders to enter into the Loan Agreement and to make each Advance and L/C Credit Extension to be made thereby, each Guarantor represents and warrants to each Agent, Issuing Bank and the Lenders, on the Effective Date and each Credit Date (subject to, with respect to each Credit Date (other than the Effective Date), Section 6.2.9(c) of the Loan Agreement), as applicable, that the following statements are true and correct:

(viii) Organization and Qualification. Such Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Such Guarantor is duly qualified, authorized to do business and in good standing as a foreign entity in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

(ix) Power and Authority. Such Guarantor is duly authorized to execute, deliver and perform its obligations under this Guaranty. The execution, delivery and performance of this Guaranty has been duly authorized by all necessary corporate, limited liability company or partnerships, as applicable, action on the part of such Guarantor.

(x) Enforceability. This Guaranty is a legal, valid and binding obligation of such Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

(xi) No Conflict. The execution, delivery and performance by such Guarantor of this Guaranty and the consummation of the transactions contemplated hereby do not and will not (a) violate in any material respect (i) any provision of any Applicable Law with respect to such Guarantor, (ii) any of the Organizational Documents of such Guarantor or (iii) any order, judgment or decree of any court or other agency of government binding on such Guarantor; (b) conflict with, result in a breach of or constitute (immediately or upon the giving of notice) a default in any material respect under any Contractual Obligation of such Guarantor; (c) result in or require the creation or imposition of any material Lien upon any of the properties or assets of such Guarantor (other than any Permitted Liens); or (d) require any approval of stockholders, members or partners of such Guarantor or any approval or consent of any Person under any Contractual Obligations of such Guarantor except such approvals or consents which have been obtained on or prior to the date hereof and are in full force and effect.

(xii) Process Agent Appointment. Such Guarantor has irrevocably appointed an agent for service of process in the State of New York in accordance with Section 17, and has paid all required appointment fees for a period of one (1) year from the Effective Date.

(xiii) Governmental Regulations. The execution, delivery and performance by such Guarantor of this Guaranty and the consummation of the transactions contemplated hereby do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except (i) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect as of the date hereof, and required filings with the U.S. Securities and Exchange Commission regarding the Loan Documents, and (ii) otherwise as could not reasonably be expected to have a Material Adverse Effect. No Guarantor is or is required to be registered as a "registered investment company" or is a company "controlled" by a "registered investment company" or is a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

(xiv) Compliance with Laws.

(A) Such Guarantor is in compliance with all Applicable Laws and all applicable restrictions and regulations imposed by all Governmental Authorities in respect of the conduct of its businesses and the ownership of its Properties (other than failure to comply with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations), except as could not reasonably be expected to have a Material Adverse Effect.

(B) No Guarantor is, nor has any of its Subsidiaries, nor, to the knowledge of such Guarantor and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing, (ii) a Sanctioned Person, or any similar list enforced by any other relevant sanctions authority, (iii) has conducted business with or engaged in any transaction with any Sanctioned Person or (iv) located, organized or resident in a Designated Jurisdiction. Each Guarantor and its Subsidiaries have conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions. No Guarantor nor any of its Subsidiaries has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to Sanctions.

(C) No part of the proceeds of Loan or any other transaction contemplated hereunder constitutes or will constitute funds obtained on behalf of any U.S. Blocked Person. No Guarantor nor any of its Subsidiaries will use, directly or indirectly, any part of the proceeds of any Loan or any other transaction contemplated hereunder in connection with any investment in, or any transactions or dealings with, any U.S. Blocked Person or otherwise in violation of Sanctions.

(D) The Guarantors and their Subsidiaries have conducted their businesses in compliance in all material respects with all Anti-Bribery and Anti-Corruption Laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws.

(E) No Guarantor nor any Subsidiary of such Guarantor, nor director or officer thereof, nor to the Knowledge of such Guarantor, any agent, affiliate or representative thereof is in violation in any material respect of any Anti-Terrorism and Money Laundering Laws applicable to it. No part of the proceeds of the Loans will be used, directly or indirectly, by any Borrower for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Terrorism and Money Laundering Laws. The Guarantors and their Subsidiaries have conducted their businesses in compliance in all material respects with Anti-Terrorism and Money Laundering Laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws. No Guarantor is a "financial institution" as defined under 31 USC § 5312(a)(1).

(F) The use of the proceeds of any Loan by each Guarantor and each other Obligor will not violate in any material respect the Foreign Asset Control Regulations.

(G) There have been no citations of, notices of or orders of material noncompliance issued to such Guarantor by any Governmental Authority under any securities laws which may have a Material Adverse Effect.

(xv) Litigation. As of the date hereof, there are no proceedings or investigations pending or, to such Guarantor's Knowledge, threatened against such Guarantor, that (a) relate to this Guaranty or any of the Loan Documents or transactions contemplated thereby; or (b) could reasonably be expected to have a Material Adverse Effect if determined adversely to such Guarantor. As of the date hereof, such Guarantor is not in default with respect to any order, injunction or judgment of any Governmental Authority, except as could not reasonably be expected to have a Material Adverse Effect.

(xvi) Solvency. As of the date hereof, such Guarantor is and, upon the incurrence of its obligations hereunder on any date on which this representation and warranty is made, will be, Solvent.

(xvii) Benefit. Each Guarantor is the owner of indirect interests in the Borrowers, and each Guarantor will directly benefit from Lenders' making the Loans to, and the Issuing Banks making L/C Credit Extension for the account of, the Borrowers.

(d) *Covenants*. Each Guarantor covenants and agrees that, so long as any Commitment is in effect, and until Full Payment of all Obligations, such Guarantor shall perform all covenants in this Section 15(b).

(viii) Existence. (A) Except as permitted by Section 15(b)(ix), such Guarantor shall at all times preserve and keep in full force and effect its existence and (B) such Guarantor shall at all times preserve and keep in full force and effect, except as could not reasonably be expected to have a Material Adverse Effect, all rights and franchises, licenses and permits material to its business.

(ix) Inspections; Books and Records. Such Guarantor shall (A) at all times cause the Borrowers to comply with their obligations under Section 10.1.3 of the Loan Agreement and (B) to the extent required to enable the Borrowers to comply with such contractual obligations, permit representatives and independent contractors of Administrative Agent to (i) visit and inspect any of its properties, (ii) to examine its corporate, financial and operating records, and files concerning the Project Portfolio, Loan Documents and Underlying Financing Documents, and make copies thereof or abstracts therefrom, and (iii) discuss the affairs, business (including, without limitation, all matters concerning the Project Portfolio and Underlying Financings), finances and accounts of Obligors (other than the Guarantors), with the directors, officers, independent public accountants (provided that the Guarantors shall be present for any meetings with such accountants), legal counsel and other independent agents and experts of such Guarantor at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to such Guarantor; provided that all reasonable and documented third party charges, costs and expenses of Administrative Agent and its representatives and independent contractors in connection with such visits, examinations and discussions shall be reimbursed by the Guarantors only in connection with two (2) such visits, examinations and discussions per fiscal year; provided, further, however, that when an Event of Default exists Administrative Agent (or its representatives or independent contractors) may do any of the foregoing at the expense of the Guarantors at any time during normal business hours and without advance notice.

(x) Compliance with Laws. Such Guarantor shall at all times, comply with all Applicable Laws (including Environmental Laws, FLSA, FATCA, OSHA and laws regarding collection and payment of Taxes, but excluding Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations) and maintain all Governmental

Approvals necessary to the conduct of its business, unless failure to comply or maintain could not reasonably be expected to have a Material Adverse Effect. Such Guarantor shall at all times, comply in all material respects with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations, OFAC, Sanctions and Foreign Asset Control Regulations and regulations thereto.

(xi) Taxes. Such Guarantor shall pay and discharge all Taxes prior to the date on which they become delinquent or penalties attach, unless the amount is not material to it or its financial condition or such Taxes are being Properly Contested.

(xii) Financial Covenants.

(A) Minimum Liquidity Amount: HA INC shall not permit as of any date, the Liquidity Amount to be less than $25,000,000 (the "Minimum Amount"), it being agreed that if at any time the Liquidity Amount falls below the Minimum Amount (a " Liquidity Event") HA INC shall, (1) promptly (but in any event within five (5) Business Days after obtaining Knowledge thereof), deliver to the Administrative Agent written notice of such Liquidity Event and (2) not later than thirty (30) days after such Liquidity Event, cause the Liquidity Amount to be replenished to at least the Minimum Amount and deliver evidence of the same to the Administrative Agent; provided that, for purposes of the Compliance Certificate required to be delivered pursuant to Section 10.1.1(c) of the Loan Agreement, such Compliance Certificate will calculate the Minimum Liquidity Amount as of the last day of the Fiscal Quarter that ended immediately prior to the delivery of such Compliance Certificate.

(B) Minimum Net Investment Revenue: HA INC shall not permit, as of any Calculation Date (provided that the first such Calculation Date shall be December 31, 2018, the Net Investment Revenue to be less than or equal to $0 for the four Fiscal Quarter period ending on such Calculation Date.

(C) Maximum Debt to Equity Ratio: HA INC shall not permit, as of any date, the Consolidated Debt to Equity Ratio to equal or exceed 4.00 to 1.00 as of such date; provided that, for purposes of the Compliance Certificate required to be delivered pursuant to Section 10.1.1(c) of the Loan Agreement, such Compliance Certificate will calculate the Consolidated Debt to Equity Ratio as of the last day of the Fiscal Quarter that ended immediately prior to the delivery of such Compliance Certificate.

(xiii) Financial Statements and Covenants. The parties hereto agree that if at any time any change in GAAP (including the adoption of IFRS) or in the business or the accounting practices of HA INC would affect in a material way the computation of any financial ratio set forth herein or any component of such ratio, including the computations for the "Net Investment Revenue", " Interest Income, financing receivable", "Interest income, investments", "Rental Income", "Core equity method investment earnings" or "interest expense", and either the Guarantors or the Administrative Agent shall so request, the Administrative Agent and the Guarantors shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP or the business or accounting practice; provided that, until so amended pursuant to such request, (i) such ratio or requirement shall continue to be computed in accordance with past practice or GAAP prior to such change therein and (ii) the Guarantors shall provide to the Administrative Agent and the Lenders as reasonably requested hereunder, a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP or past practice.

(xiv) Margin Regulations. Such Guarantor shall not directly or indirectly apply any part of the proceeds of any Advance or other revenues to the purchasing or carrying of any margin stock within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve of the United States, or any regulations, interpretations or rulings thereunder.

(xv) Investment Company Act. Such Guarantor shall not take any action that would result in such Guarantor, or any other Obligor being required to register as an "investment company" under the Investment Company Act of 1940.

(xvi) Merger; Bankruptcy. No Guarantor shall, and no Guarantor shall agree to, enter into, or cause or permit any Subsidiary of such Guarantor to enter into, any transaction of merger or consolidation unless:

(A) simultaneous with the consummation of such merger or consolidation, Full Payment of all Obligations is made to the Administrative Agent; or

(B) with respect to any merger or consolidation between a Guarantor or Subsidiary of a Guarantor on the one hand and a Person that is not an Affiliate or a Subsidiary of a Guarantor on the other hand, the following conditions precedent are satisfied at the time of consummation of such merger or consolidation:

(1) the sum of (x) the aggregate proceeds and other consideration (regardless of the form of payment and including, for the avoidance of doubt, any assumption of liability) calculated in accordance with GAAP (the "Purchase Price") paid or exchanged by the Guarantors or Subsidiary of a Guarantor (the collective reference to the Guarantors and its Subsidiaries, the "Guarantor Parties") in connection with such merger or consolidation plus (y) the Purchase Price paid or exchanged by the Guarantor Parties in connection with all other mergers and consolidations made in reliance on this clause (ix)(B) since the date hereof plus (x) the Purchase Price paid by the Guarantor Parties in connection with all acquisitions in reliance on Section 15(b)(x)(B) since the date hereof, does not exceed $200,000,000;

(2) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.11 of the Loan Agreement) has occurred and is continuing at the time of such merger or consolidation or will be caused by or would result from the consummation of any such merger or consolidation;

(3) in the event that a Guarantor is a party to such merger or consolidation, a Guarantor is the surviving entity;

(4) no Guarantor or other Person has merged into or with a Borrower or a Pledgor;

(5) if the Purchase Price of such merger or consolidation exceeds $50,000,000, the Guarantors or a Borrower have provided the Administrative Agent with written notice of such merger or consolidation at least thirty (30) days prior to the consummation of such merger or consolidation;

(6) the material lines of business of the applicable Guarantor and its Subsidiaries, taken as a whole, after giving effect to any such merger or consolidation shall

not be substantially different from those lines of business conducted by such Guarantor and its Subsidiaries, taken as a whole, immediately prior to such merger or consolidation;

(7) the Administrative Agent has received all information and other documentation it reasonably requests with respect to such merger or consolidation (including, for the avoidance of doubt, from all parties to such merger or consolidation) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; and

(8) If the Purchase Price of such merger or consolidation exceeds $50,000,000, HA INC has delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the four Fiscal Quarter period that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation and (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to such merger or consolidation) as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation; or

(C) with respect to merger or consolidation between a Guarantor or Subsidiary of a Guarantor on the one hand, and another Guarantor or Affiliate or Subsidiary of a Guarantor on the other hand, each of the following conditions precedent have been satisfied at the time of such merger or consolidation:

(1) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.11 of the Loan Agreement) has occurred and is continuing at the time of such merger or consolidation, or will be caused by or would result from the consummation of any such merger or consolidation; provided that for purposes of this clause (1) no Default or Event of Default will be deemed to have occurred and be continuing as a result of a Change of Control described in *clause (ii)* and *(iii)* of the definition thereof in the Loan

Agreement so long as (a) the merger or consolidation is solely between HA INC and HA LP (or the surviving entity from a merger or consolidation described in clause (b) below) and the surviving entity continues to own and Control, beneficially and of record, directly or indirectly, at least 50.1% of the equity interests of HA LLC (or if such merger included the surviving entity from a merger or consolidation described in clause (b) below, directly or indirectly at least (x) 100% of the equity interests of the Borrowers and the Pledgors (other than HAT Holdings I and HAT Holdings II; provided that HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger) and (y) 50.1% of HAT Holdings I and HAT Holdings II; provided that HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger) or (b) the merger or consolidation is solely between HA LP and HA LLC and the surviving entity continues to own and Control, beneficially and of record, directly or indirectly, at least 100% of the equity interests of the Borrowers and the Pledgors (other than HAT Holdings I and HAT Holdings II; provided that (x) HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger or consolidation and (y) HA LLC continues to own, directly or indirectly, 50.1% of HAT Holdings I and HAT Holdings II (or any permitted successor to such companies) at the time of such merger; provided that HAT Holdings I and HAT Holdings II (or any permitted successor to such companies) continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger);

(2) in the event that a Guarantor is a party to such merger or consolidation, a Guarantor is the surviving entity;

(3) no Guarantor or other Person has merged into a Borrower or a Pledgor, other than a merger of a Pledgor and another Pledgor;

(4) if another Guarantor or Pledgor is the non-surviving entity under any merger or consolidation,

(i) the surviving entity has expressly assumed the obligations of the non-surviving entity under each Loan Document to which the non-surviving entity is or was a party;

(ii) if a Pledgor is the non-surviving entity under any merger or consolidation: (A) the Borrowers shall have delivered to the Administrative Agent the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other Lien filings on any of the Collateral pledged to the Collateral Agent by the Pledgors subject to such merger or consolidation, (B) Collateral Agent has been expressly granted a first priority Lien and security interest in all of the equity interests of applicable Borrower and certificates and transfers in blank have been delivered to the Collateral Agent sufficient to perfect such Lien and security interest by "control" (within the meaning of Sections 8-106 and 9-106 of the UCC, and the Administrative Agent shall have received a legal opinion, in form and substance satisfactory to the Administrative Agent, regarding perfection of such Lien in such collateral and (C) the Borrower has delivered any UCC financing statement amendments reasonably requested by the Administrative Agent (and a Borrower

has delivered other reasonably satisfactory documentation evidencing the assumptions and other matters described in this clause (4) to Administrative Agent);

(iii) the Guarantors or the Borrowers have provided the Administrative Agent with written notice of such merger or consolidation at least thirty (30) days prior to the consummation of such merger or consolidation; and

(iv) HA INC or a Borrower has delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the four Fiscal Quarter period that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation and, (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation; or

(5) If any of sub-clauses (C)(2), (3) or (4) apply, the Administrative Agent has received all information and other documentation it reasonably requests with respect to such merger or consolidation (including, for the avoidance of doubt, from all parties to such merger or consolidation) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; or

(D) such merger or consolidation is a merger by a Subsidiary of a Guarantor (that is also not a Guarantor, a Borrower or Pledgor) with a third-party to complete an investment in loans, assets and projects in the ordinary course of business; provided that if such Subsidiary is HAT Holdings I or HAT Holdings II, HAT Holdings I or HAT Holdings II, as applicable, is the surviving entity;

provided that, notwithstanding the foregoing, nothing in this Section 15(b)(ix) shall in any way limit the provisions of Section 10.2.12 of the Loan Agreement; provided, further, that the Guarantors shall notify Administrative Agent in writing on or prior to the consummation of any such merger or consolidation where a Guarantor is a party whether such Guarantors will satisfy the conditions set forth in clause (A), (B) or (C) of this Section 15(b)(ix) (which notice may be contained within any notice otherwise required to be delivered pursuant to Section 15(b)(ix)(B)(5) or (C)(4)(iii)).

(xvii) Acquisitions. No Guarantor shall, and no Guarantor shall agree to, acquire, or cause or permit any Subsidiary of such Guarantor to acquire, by purchase or otherwise the business of another Person or all or substantially all of the Property of another Person or all or substantially all of the Equity Interests of another Person (other than, in each case, investments in loans, assets and projects in the Ordinary Course of Business) unless:

(A) simultaneous with the consummation of such acquisition, Full Payment of all Obligations is made to the Administrative Agent; or

(B) with respect to such acquisition by a Guarantor or Subsidiary of a Guarantor (other than a Borrower or a Pledgor (other HAT Holdings I and HAT Holdings II; provided that HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such acquisition) of the business, Property or Equity Interests of a Person that is not an Affiliate or a Subsidiary of a Guarantor, the following conditions precedent are satisfied at the time of consummation of such acquisition:

(1) the sum of (x) the Purchase Price paid by the Guarantor Parties in connection with such acquisition plus (y) the Purchase Price paid by the Guarantor Parties in connection with all other acquisitions made in reliance on this clause (x)(B) since the date hereof plus (x) the Purchase Price paid or exchanged by the Guarantor Parties in connection with all mergers and consolidations in reliance on Section 15(b)(ix)(B) since the date hereof, does not exceed $200,000,000; and

(2) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.11 of the Loan Agreement) has occurred and is continuing at the time of such acquisition or will be caused by or would result from the consummation of any such acquisition;

(3) if the Purchase Price in connection with such acquisition exceeds $50,000,000, the Guarantors or the Borrowers have provided the Administrative Agent with written notice of the acquisition at least thirty (30) days prior to the proposed consummation date of such acquisition;

(4) the material lines of business of the Guarantors and their Subsidiaries, taken as a whole, after giving effect to any such acquisition shall not be substantially different from those lines of business conducted by the Guarantors and their Subsidiaries, taken as a whole, immediately prior to such acquisition;

(5) the Administrative Agent has received all information and other documentation it reasonably requests with respect to acquisition (including, for the avoidance of doubt, from all parties to such acquisition) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-

customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; and

(6) if the Purchase Price in connection with such acquisition exceeds $50,000,000, the Borrowers or the Guarantors have delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis at the time of the consummation of such acquisition and after giving effect thereto; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant for the four Fiscal Quarter period ending on the last day of the Fiscal Quarter that will immediately precede the consummation such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition and (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition; or

(C) with respect to such acquisition by a Guarantor of the business, Property or Equity Interests of another Guarantor or an Affiliate or a Subsidiary of a Guarantor (other than a Borrower or a Pledgor), the following conditions precedent are satisfied at the time of consummation of such acquisition:

(1) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.1 of the Loan Agreement) has occurred and is continuing at the time of such acquisition, or will be caused by or would result from the consummation of any such acquisition;

(2) a Guarantor is the acquiring entity

(3) if the Property, Equity Interests or business of a Guarantor is being acquired:

(i) the acquiring Guarantor has expressly assumed the obligations of the non-surviving entity under each Loan Document to which the non-surviving entity is or was a party;

(ii) the Guarantors or the Borrowers have provided the Administrative Agent with written notice of such acquisition at least thirty (30) days prior to the consummation of such acquisition; and

(iii) the Guarantors have delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis at the time of the consummation of such acquisition and after giving effect thereto; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant for the four Fiscal Quarter period ending on the last day of the Fiscal Quarter that will immediately precede the consummation such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition and (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition; and

(4) the Administrative Agent has received all information and other documentation it requests with respect to acquisition (including, for the avoidance of doubt, from all parties to such acquisition) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; or

(D) such acquisition is an acquisition by a Subsidiary of a Guarantor (that is also not a Guarantor, a Borrower or a Pledgor) of the business, Property or Equity Interests of another Subsidiary of a Guarantor (that is also not a Guarantor, a Borrower or a Pledgor) or with a third-party to complete an investment in loans, assets and projects in the ordinary course of business;

provided that, notwithstanding the foregoing, nothing in this Section 15(b)(x) shall in any way limit the provisions of Section 10.2.12 of the Loan Agreement; provided, further, that the Guarantors shall notify Administrative Agent in writing at on or prior to the consummation of any such acquisition involving a Guarantor whether such Guarantors will satisfy the conditions set forth in clause (A), (B) or (C) of this

Section 15(b)(x) (which notice may be contained within any notice otherwise required to be delivered pursuant to Section 15(b)(x)(B)(3) or (C)(3)(ii)).

(xviii) Knowledge. Such Guarantor hereby acknowledges and agrees that pursuant to the terms of, and for all purposes contained in, the Loan Agreement and other Loan Documents, any reference to the "Knowledge" of the Borrowers and Guarantors shall mean and include, without limitation, the actual knowledge of the officers or employees of such Guarantor whose duties require them to have responsibility for the matter in question.

16. Indemnification and Survival. Without limitation on any other obligations of the Guarantors or remedies of the Lender or any other Secured Party under this Guaranty, the Guarantors, jointly and severally, shall to the fullest extent permitted by law, indemnify, defend and save and hold harmless each Secured Party from and against, and shall pay within ten (10) Business Days of request, any and all damages, losses, liabilities and reasonable and documented, out of pocket third party fees, costs and expenses (including attorneys' fees and expenses) that may be suffered or incurred by any Secured Party in connection with or as a result of any failure of any Guarantors obligations under this Guaranty to be the legal, valid and binding obligations of such Guarantor enforceable against such Guarantor in accordance with its terms; provided that the scope of the indemnity set forth in this Section 16 shall be limited to any and all claims that Administrative Agent and Secured Parties could have asserted or demanded against one or more of the Guarantors in respect of the Guaranteed Obligations had this Guaranty been enforceable, plus any reasonable and documented, out of pocket third party fees costs and expenses (including attorneys' fees and expenses) associated with the enforcement and collection of this indemnity; provided, further that the parties hereto agree that the Administrative Agent, Issuing Banks and the Lenders are not waiving, and this limitation shall not be deemed or construed to be a waiver of, any rights, remedies or claims that the Administrative Agent or the other Secured Parties could have asserted against the Guarantors under this Guaranty had this Guaranty been enforceable in accordance with its terms. The obligations of the Guarantors under this paragraph shall survive termination of this Guaranty.

17. Process Agent Appointment. WITHOUT PREJUDICE TO ANY OTHER MODE OF SERVICE, EACH GUARANTOR AFFIRMS ITS IRREVOCABLE APPOINTMENT OF CORPORATION SERVICES COMPANY AS ITS AGENT FOR SERVICE OF PROCESS IN THE STATE OF NEW YORK; EACH GUARANTOR AGREES THAT FAILURE BY ITS AGENT FOR SERVICE OF PROCESS TO NOTIFY SUCH GUARANTOR OF THE SERVICE OF PROCESS WILL NOT INVALIDATE THE PROCEEDINGS CONCERNED; AND EACH GUARANTOR CONSENTS TO THE SERVICE OF PROCESS RELATING TO ANY SUCH PROCEEDINGS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO SUCH GUARANTOR AT ITS ADDRESS SET FORTH HEREIN.

18. GOVERNING LAW; Assignment; Jurisdiction; Notices . **THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK**. This Guaranty shall (a) bind the Guarantors and their respective successors and assigns; provided that no Guarantor may assign its rights or obligations under this Guaranty without the prior written consent of the Administrative Agent (and any attempted assignment without such consent shall be void), and (b) inure to the benefit of the Administrative Agent and each other Secured Party and their successors and assigns and Administrative Agent and each other Secured Party may, without notice to the Guarantors and without affecting any Guarantor's obligations hereunder, assign, sell or grant participations in the Guaranteed Obligations and this Guaranty, in whole or in part (subject to the terms of the Loan Agreement). Each Guarantor hereby irrevocably (i) submits to the non-exclusive jurisdiction of any United States Federal or State court sitting in New York County, New York in any action or proceeding arising out

of or relating to this Guaranty, and (ii) waives to the fullest extent permitted by law any defense asserting an inconvenient forum in connection therewith. Service of process by Administrative Agent or any other Secured Party in connection with such action or proceeding shall be binding on each Guarantor if sent to such Guarantor by registered or certified mail at its address specified below or such other address as from time to time notified by the Guarantors. Each Guarantor agrees that Administrative Agent and each other Secured Party, subject to its obligations under Section 14.11 of the Loan Agreement, may disclose to any assignee of or participant in, or any prospective assignee of or participant in accordance with the Loan Agreement, any of its rights or obligations of all or part of the Guaranteed Obligations any and all information in the Administrative Agent's or such other Secured Party's possession concerning the Guarantors and this Guaranty. All notices and other communications to the Guarantors under this Guaranty shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the applicable Guarantor at its address set forth below or at such other address in the United States as may be specified by the Guarantors in a written notice delivered to the Administrative Agent at such office as Administrative Agent may designate for such purpose from time to time in a written notice to the Guarantors.

19. W**AIVER OF JURY TRIAL; FINAL AGREEMENT** . TO THE EXTENT ALLOWED BY APPLICABLE LAW, EACH GUARANTOR, ADMINISTRATIVE AGENT AND EACH OTHER SECURED PARTY EACH IRREVOCABLY WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ON, ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE GUARANTEED OBLIGATIONS. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

20. Counterparts. This Guaranty may be executed in any number of counterparts, each of which shall collectively and separately constitute one and the same agreement.

21. Performance. If any performance (other than payment) under this Guaranty is specified to be made on a day which is not a Business Day, it shall be made on the next Business Day.

22. Severability. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

23. Bankruptcy. Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding under any Debtor Relief Laws (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of the Guarantors and beneficiaries that the Guaranteed Obligations which are guaranteed by the Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Obligors of any portion of such Guaranteed Obligations. The Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

24. Limitation on Guaranteed Obligations. Notwithstanding any provision herein contained to the contrary, each Guarantor's liability hereunder shall be limited to the amount which could be claimed by Administrative Agent and other Secured Parties from each such Guarantor under this Guaranty without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Guaranty has been executed and delivered as of the date set forth below.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

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

HANNON ARMSTRONG CAPITAL, LLC

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

ANNEX A

DEFINITIONS

The following terms in this Guaranty shall have the meanings set forth below:

"Administrative Agent" has the meaning set forth in Section 1.

"Aggregate Availability" means as of any date of determination, the sum of (x) the Availability Amount and (y) the "Availability Amount" (as defined in the Other Loan Agreement), in each case, as of such date of determination.

"Attributable Indebtedness" means, as of any date, in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"Borrower" or "Borrowers" has the meaning set forth in the preamble to this Guaranty.

"Calculation Date" means the last day of each Fiscal Quarter of HA INC.

"Cash Equivalents" means 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 as used in the HA INC financial statements delivered to Administrative Agent in accordance with Section 10.1.1(a) (i) or (b)(i) of the Loan Agreement, as applicable.

"Consolidated Debt to Equity Ratio" means, as of any date of determination, the ratio of (i) Consolidated Funded Debt as of such date to (ii) Consolidated Equity as of such date.

"Consolidated Equity" means, as of any date of determination, for the Consolidated Group on a consolidated basis, an amount equal to the aggregate book value of the assets of the Consolidated Group minus the sum of all of the liabilities of the Consolidated Group (including accrued and deferred income taxes) all as determined in accordance with GAAP.

"Consolidated Funded Debt" means, as of any date of determination, for the Consolidated Group, on a consolidated basis, the sum of (without duplication) (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, but excluding obligations collateralized with cash (but only up to the amount so collateralized) or arising under performance letters of credit, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable and other similar accrued expenses in the Ordinary Course of Business), (e) Attributable Indebtedness in respect of capital leases, (f) without duplication, all Guarantees with respect to any of the obligations and indebtedness of the types referred to in clauses (a) through (e) above of any Person, and (g) all obligations and indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation, limited liability company or other comparable limited liability entity) in which the any member of the Consolidated Group is a general partner or joint venture, unless such obligation or indebtedness is expressly made non-recourse to the Guarantors; provided that

Consolidated Funded Debt shall not include Non-Recourse Debt. The Consolidated Funded Debt of a Person shall include any recourse Consolidated Funded Debt of any partnership in which such Person is a general partner or joint venture to the extent the Person is liable for such Consolidated Funded Debt and such Consolidated Funded Debt is owed to a third party (which is not an Affiliate of HA INC), either directly to such third party or indirectly to such third party through its interest in a partnership or joint venture.

"Consolidated Group" means HA INC and its Subsidiaries.

"Consolidated Interest Expense" means for any period for the Consolidated Group on a consolidated basis, the expenses classified as "interest expense" as it appears in the HA INC financial statements delivered to the Administrative Agent in accordance with Section 10.1.1(a)(i) or (b)(i) of the Loan Agreement, as applicable.

"Consolidated Interest Income: means for any period for the Consolidated Group on a consolidated basis the income classified as "Interest income, financing receivable", Interest income, investments", "Rental Income", or "Core equity method investment earnings" as it appears in the HA INC financial statements delivered to the Administrative Agent in accordance with Section 10.1.1(a)(i) or (b)(i) of the Loan Agreement, as applicable.

"Debtor Relief Laws" has the meaning set forth in Section 2.

"Guarantee" means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any obligation payable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such obligation of the payment or performance of such obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any obligation of any other Person, whether or not such obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made which shall not exceed the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith in accordance with GAAP. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 2.

"Guarantor" has the meaning set forth in the preamble to this Guaranty.

"Guarantor Parties" has the meaning set forth in Section 15(b)(ix)(B)(1) of this Guaranty.

"Guaranty" means this Limited Guaranty (Rep-Based), dated as of December 13, 2018, issued by each Guarantor signatory hereto, as amended, modified, supplemented from time to time in accordance herewith.

"HA INC" means Hannon Armstrong Sustainable Infrastructure Capital, Inc.

"HA LLC" means Hannon Armstrong Capital, LLC.

"Lender" has the meaning set forth in the preamble to this Guaranty.

"Liquid Investments" means, on a consolidated basis, cash and Cash Equivalents on the balance sheet of the Consolidated Group.

"Liquidity Amount" means, as of any date of measurement thereof, the sum of (x) the aggregate amount (all such amounts to be in Dollars) of all Liquid Investments of the Consolidated Group on such date *plus* (y) the Aggregate Availability on such date, but excluding from such amount, any Liquid Investment of the Consolidated Group that is either (i) restricted from payment to the Borrowers in satisfaction of the Obligations or the Other Obligations, (ii) classified as "Restricted Cash (which shall include any restricted Cash Equivalents)" or would otherwise be treated as a restricted asset, in each case under GAAP or (iii) on deposit in a Borrower Collateral Account or in an Other Borrower Collateral Accounts, that will be used to pay accrued interest or fees.

"Loan Agreement" has the meaning set forth in Section 1 to this Guaranty.

"Net Investment Revenue" means, for any period for the Consolidated Group on a consolidated basis, an amount equal to the difference between (x) Consolidated Interest Income and (y) Consolidated Interest Expense.

"Other Borrower Collateral Accounts" means each Borrower Collateral Account as defined in the Other Loan Agreement.

"Other Loan Agreement" means the Loan Agreement (Approved), dated as of December 13, 2018, by and among Rhea Borrower (HASI), LLC, Rhea Borrower (HAT I), LLC, Rhea Borrower (HAT II), LLC, the lenders and issuing banks from time to time party thereto and Bank of America, N.A., as administrative agent, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Purchase Price" has the meaning set forth in Section 15(b)(ix)(B)(1) of this Guaranty.

"Recourse Event" means the occurrence of any gross negligence, willful misconduct, intentional misrepresentation or fraud on the part of an Obligor in connection with all or any portion of the Obligations.

GUARANTY (APPROVAL-BASED)

December 13, 2018

FOR VALUE RECEIVED, the sufficiency of which is hereby acknowledged, and in consideration of credit and/or financial accommodation heretofore or hereafter from time to time made or granted to Rhea Borrower (HASI) LLC, a Delaware limited liability company ("Borrower HASI"), Rhea Borrower (HAT I) LLC, a Delaware limited liability company ("Borrower HAT I"), and Rhea Borrower (HAT II) LLC, a Delaware limited liability company ("Borrower HAT II", and together with Borrower HASI and Borrower HAT I, collectively, the " Borrowers"), by the lenders party to that certain Loan Agreement (as defined in Annex A) from time to time, including without limitation Bank of America, N.A. (collectively, the " Lenders"), the undersigned Guarantors (each a "Guarantor" and collectively "Guarantors"), as indirect owners of each Borrower, hereby furnishes their guaranty of the Guaranteed Obligations (as hereinafter defined) as follows for the benefit of Bank of America, N.A., as administrative agent (in such capacity, and including any permitted successors or assigns, "Administrative Agent") acting on behalf of and for the benefit of the Secured Parties:

1. Definitions. Terms used herein shall have the meanings set forth on Annex A attached hereto. Terms used but not defined in this Guaranty shall have the meanings set forth in the Loan Agreement (Approval-Based), dated as of December 13, 2018, by and among the Borrowers, Administrative Agent, Issuing Banks, the Lenders and the other parties thereto from time to time (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Loan Agreement"), and the rules of construction set forth therein shall apply hereto.

2. Guaranty. The Guarantors, jointly and severally, hereby absolutely and unconditionally guarantee, as a guaranty of payment and performance and not merely as a guaranty of collection and promise to pay to the Administrative Agent for the benefit of the Secured Parties, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all existing and future indebtedness, liabilities (including without limitation the Obligations), losses, damages, claims or other obligations of every kind, nature and character, direct or indirect, absolute or contingent, liquidated or unliquidated, voluntary or involuntary, including reasonable and documented out of pocket third party fees (including attorneys' fees), costs and expenses, and whether for principal, interest, premiums, fees indemnities, damages, costs, expenses or otherwise, whether associated with any credit or other financial accommodation made to or for the benefit of the Obligors by the Secured Parties or otherwise and whenever created, arising, evidenced or acquired (including all renewals, extensions, amendments, refinancings and other modifications thereof and all reasonable and documented, out of pocket third-party fees costs and expenses, including attorneys' fees and expenses incurred by the Secured Parties in connection with the collection or enforcement thereof), under the Loan Documents, and whether recovery upon such amounts, costs, fees, indebtedness and liabilities may be or hereafter become unenforceable or shall be an allowed or disallowed claim under any proceeding or case commenced by or against any Guarantor or any other Obligor under the Bankruptcy Code (Title 11, United States Code), any successor statute or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (collectively, "Debtor Relief Laws"), and including interest that accrues after the commencement by or against any Obligor of any proceeding under any Debtor Relief Laws (collectively, the "Guaranteed Obligations"). Administrative Agent's books and records showing the amount of the Guaranteed Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon the Guarantors and conclusive, absent manifest error, for the purpose of establishing the amount of the Guaranteed Obligations.

This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any instrument or agreement evidencing any Guaranteed Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Guaranteed Obligations which might otherwise constitute a defense to the obligations of the Guarantors under this Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing (other than, subject to Section 8, a defense of payment in full).

3. No Setoff or Deductions; Taxes; Payments. Each Guarantor represents and warrants that it is organized and resident in the United States of America. The Guarantors shall make all payments hereunder in accordance with Section 5.7 of the Loan Agreement which provisions shall be herein incorporated by reference *mutatis mutandis*. The obligations of each Guarantor under this paragraph shall survive the payment in full of the Guaranteed Obligations and termination of this Guaranty.

4. Rights of Lender. Each Guarantor consents and agrees that the Secured Parties may at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Guaranteed Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Guaranteed Obligations; (c) apply such security and direct the order or manner of sale thereof as the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of the Guarantors under this Guaranty or which, but for this provision, might operate as a discharge of one or more of the Guarantors.

5. Certain Waivers. Each Guarantor waives (a) any defense arising by reason of any disability or other defense of any Obligor or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of any Obligor; (b) any defense based on any claim that a Guarantor's obligations exceed or are more burdensome than those of the other Obligors; (c) the benefit of any statute of limitations affecting any Guarantor's liability hereunder; (d) any right to require a Secured Party to proceed against one or more of the Borrowers or other Obligors, proceed against or exhaust any security for the Guaranteed Obligations, or pursue any other remedy in any Secured Party's power whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by the Secured Parties; and (f) to the fullest extent permitted by law, any and all other defenses or benefits (other than, subject to Section 8, a defense of payment in full) that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Guaranteed Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Guaranteed Obligations.

6. Obligations Independent. The obligations of the Guarantors hereunder are those of primary obligor, and not merely as surety, and are independent of the Guaranteed Obligations and the obligations of any other guarantor, and a separate action may be brought against a Guarantor to enforce this Guaranty whether or not the other Obligors or any other person or entity is joined as a party.

7. Subrogation. No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the

Guaranteed Obligations and all other amounts payable under this Guaranty have been indefeasibly paid in full in cash and performed in full and Full Payment of all Obligations under the Loan Documents has occurred. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Administrative Agent, for the benefit of the Secured Parties, to reduce the amount of the Guaranteed Obligations, whether matured or unmatured.

8. Termination; Reinstatement. This Guaranty is a continuing and irrevocable guaranty of all Guaranteed Obligations now or hereafter existing and shall remain in full force and effect until (i) all Guaranteed Obligations, including without limitation, any amounts payable under this Guaranty, are indefeasibly paid in full in cash and any commitments of the Lenders and Issuing Banks or facilities provided by the Lenders and Issuing Banks with respect to the Guaranteed Obligations are terminated and (ii) the Full Payment of all Obligations. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of any Guarantor or any other Obligor is made, or any Secured Party or any of its Affiliates exercises its right of setoff, in respect of the Guaranteed Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the applicable Secured Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction of this Guaranty or any other Loan Document. The obligations of the Guarantors under this paragraph shall survive termination of this Guaranty.

9. Subordination. Without in any way limiting the obligations of the Obligors under the Loan Documents, each Guarantor hereby subordinates the payment of all obligations and indebtedness of the Borrowers owing to such Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of any Borrower to a Guarantor as subrogee of a Secured Party or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Guaranteed Obligations. If a Secured Party so requests, any such obligation or indebtedness of the Borrowers to the Guarantors shall be enforced and performance received by the Guarantors as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Administrative Agent, for the benefit of the Secured Parties, on account of the Guaranteed Obligations, but without reducing or affecting in any manner the remaining liability of the Guarantors under this Guaranty. For the avoidance of doubt, this Section 9 shall not be deemed to apply to any Restricted Payment to a Guarantor to the extent that such Restricted Payment is permitted to be paid and distributed to a Guarantor in accordance with the Loan Documents.

10. Stay of Acceleration. In the event that acceleration of the time for payment of any of the Guaranteed Obligations is stayed, in connection with any case commenced by or against any Guarantor or any Borrower under any Debtor Relief Laws or otherwise, all such amounts shall nonetheless be payable by such Guarantor immediately upon demand by the Secured Parties.

11. Expenses. The Guarantors shall, jointly and severally, pay within ten (10) Business Days of request all reasonable and documented out-of-pocket third-party fees and expenses (including attorneys' fees and expenses) in any way relating to the enforcement or protection of the Secured Parties' rights under this Guaranty or in respect of the Guaranteed Obligations, including any incurred during any "workout" or restructuring in respect of the Guaranteed Obligations and any incurred in the preservation, protection or enforcement of any rights of the Secured Parties in any proceeding under any Debtor Relief Laws. The

obligations of the Guarantors under this paragraph shall survive the payment in full of the Guaranteed Obligations and termination of this Guaranty.

12. Miscellaneous. No provision of this Guaranty may be waived, amended, supplemented or modified, except by a written instrument executed by the Administrative Agent, Required Lenders and the Guarantors. No failure by any Secured Party to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or in equity. The unenforceability or invalidity of any provision of this Guaranty shall not affect the enforceability or validity of any other provision herein. Unless otherwise agreed by the Lenders, the Administrative Agent and the Guarantors in writing, this Guaranty is not intended to supersede or otherwise affect any other guaranty now or hereafter given by the Guarantors for the benefit of any Secured Party under the Loan Documents or any term or provision thereof.

13. Condition of Obligors. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the other Obligors such information concerning the financial condition, business and operations of each Obligor as the Guarantors require, and that no Secured Party has any duty, and the Guarantors are not relying on any Secured Party at any time, to disclose to the Guarantors any information relating to the business, operations or financial condition of any Obligor or any other guarantor (the Guarantors waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

14. Setoff. If and to the extent any payment is not made when due hereunder, the Administrative Agent, each Issuing Bank and each Lender is authorized, to the fullest extent permitted by Applicable Law, to set off and apply any and all accounts and deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Administrative Agent, such Issuing Bank or such Lender to or for the credit or the account of a Guarantor, against any amount so due, whether or not such Lender shall have made any demand under any Loan Document and although such amount may be owed to a branch or office of the Administrative Agent, such Issuing Bank or such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Administrative Agent, Issuing Banks and the Lender under this Section 14 are in addition to other rights and remedies (including other rights of setoff) that such Person may have. The Administrative Agent, Issuing Banks and the Lenders agree to use reasonable efforts to notify the applicable Guarantor promptly after any such setoff and application; provided that (i) the failure to give such notice shall not affect the validity of such setoff and application and (ii) none of the Administrative Agent, any Issuing Bank or any Lender shall have any liability in the event of any failure to give such notice.

15. Representations; Warranties and Covenants.

(c) *General Representations and Warranties*. In order to induce the Agents, Issuing Banks and the Lenders to enter into the Loan Agreement and to make each Advance and L/C Credit Extension to be made thereby, each Guarantor represents and warrants to each Agent, Issuing Bank and the Lenders, on the Effective Date and each Credit Date (subject to, with respect to each Credit Date (other than the Effective Date), Section 6.2.9(c) of the Loan Agreement), as applicable, that the following statements are true and correct:

(viii) Organization and Qualification. Such Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Such Guarantor is duly qualified,

authorized to do business and in good standing as a foreign entity in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

(ix) Power and Authority. Such Guarantor is duly authorized to execute, deliver and perform its obligations under this Guaranty. The execution, delivery and performance of this Guaranty has been duly authorized by all necessary corporate, limited liability company or partnerships, as applicable, action on the part of such Guarantor.

(x) Enforceability. This Guaranty is a legal, valid and binding obligation of such Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

(xi) No Conflict. The execution, delivery and performance by such Guarantor of this Guaranty and the consummation of the transactions contemplated hereby do not and will not (a) violate in any material respect (i) any provision of any Applicable Law with respect to such Guarantor, (ii) any of the Organizational Documents of such Guarantor or (iii) any order, judgment or decree of any court or other agency of government binding on such Guarantor; (b) conflict with, result in a breach of or constitute (immediately or upon the giving of notice) a default in any material respect under any Contractual Obligation of such Guarantor; (c) result in or require the creation or imposition of any material Lien upon any of the properties or assets of such Guarantor (other than any Permitted Liens); or (d) require any approval of stockholders, members or partners of such Guarantor or any approval or consent of any Person under any Contractual Obligations of such Guarantor except such approvals or consents which have been obtained on or prior to the date hereof and are in full force and effect.

(xii) Process Agent Appointment. Such Guarantor has irrevocably appointed an agent for service of process in the State of New York in accordance with Section 17, and has paid all required appointment fees for a period of one (1) year from the Effective Date.

(xiii) Governmental Regulations. The execution, delivery and performance by such Guarantor of this Guaranty and the consummation of the transactions contemplated hereby do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except (i) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect as of the date hereof, and required filings with the U.S. Securities and Exchange Commission regarding the Loan Documents, and (ii) otherwise as could not reasonably be expected to have a Material Adverse Effect. No Guarantor is or is required to be registered as a "registered investment company" or is a company "controlled" by a "registered investment company" or is a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

(xiv) Compliance with Laws.

(A) Such Guarantor is in compliance with all Applicable Laws and all applicable restrictions and regulations imposed by all Governmental Authorities in respect of the conduct of its businesses and the ownership of its Properties (other than failure to comply with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations), except as could not reasonably be expected to have a Material Adverse Effect.

(B) No Guarantor is, nor has any of its Subsidiaries, nor, to the knowledge of such Guarantor and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing, (ii) a Sanctioned Person, or any similar list enforced by any other relevant sanctions authority, (iii) has conducted business with or engaged in any transaction with any Sanctioned Person or (iv) located, organized or resident in a Designated Jurisdiction. Each Guarantor and its Subsidiaries have conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions. No Guarantor nor any of its Subsidiaries has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to Sanctions.

(C) No part of the proceeds of Loan or any other transaction contemplated hereunder constitutes or will constitute funds obtained on behalf of any U.S. Blocked Person. No Guarantor nor any of its Subsidiaries will use, directly or indirectly, any part of the proceeds of any Loan or any other transaction contemplated hereunder in connection with any investment in, or any transactions or dealings with, any U.S. Blocked Person or otherwise in violation of Sanctions.

(D) The Guarantors and their Subsidiaries have conducted their businesses in compliance in all material respects with all Anti-Bribery and Anti-Corruption Laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws.

(E) No Guarantor nor any Subsidiary of such Guarantor, nor director or officer thereof, nor to the Knowledge of such Guarantor, any agent, affiliate or representative thereof is in violation in any material respect of any Anti-Terrorism and Money Laundering Laws applicable to it. No part of the proceeds of the Loans will be used, directly or indirectly, by any Borrower for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Terrorism and Money Laundering Laws. The Guarantors and their Subsidiaries have conducted their businesses in compliance in all material respects with Anti-Terrorism and Money Laundering Laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws. No Guarantor is a "financial institution" as defined under 31 USC § 5312(a)(1).

(F) The use of the proceeds of any Loan by each Guarantor and each other Obligor will not violate in any material respect the Foreign Asset Control Regulations.

(G) There have been no citations of, notices of or orders of material noncompliance issued to such Guarantor by any Governmental Authority under any securities laws which may have a Material Adverse Effect.

(xv) Litigation. As of the date hereof, there are no proceedings or investigations pending or, to such Guarantor's Knowledge, threatened against such Guarantor, that (a) relate to this Guaranty or any of the Loan Documents or transactions contemplated thereby; or (b) could reasonably be expected to have

a Material Adverse Effect if determined adversely to such Guarantor. As of the date hereof, such Guarantor is not in default with respect to any order, injunction or judgment of any Governmental Authority, except as could not reasonably be expected to have a Material Adverse Effect.

(xvi) Solvency. As of the date hereof, such Guarantor is and, upon the incurrence of its obligations hereunder on any date on which this representation and warranty is made, will be, Solvent.

(xvii) Benefit. Each Guarantor is the owner of indirect interests in the Borrowers, and each Guarantor will directly benefit from Lenders' making the Loans to, and the Issuing Banks making L/C Credit Extension for the account of the Borrowers.

(d) *Covenants*. Each Guarantor covenants and agrees that, so long as any Commitment is in effect, and until Full Payment of all Obligations, such Guarantor shall perform all covenants in this Section 15(b).

(viii) Existence. (A) Except as permitted by Section 15(b)(ix), such Guarantor shall at all times preserve and keep in full force and effect its existence and (B) such Guarantor shall at all times preserve and keep in full force and effect, except as could not reasonably be expected to have a Material Adverse Effect, all rights and franchises, licenses and permits material to its business.

(ix) Inspections; Books and Records. Such Guarantor shall (A) at all times cause the Borrowers to comply with their obligations under Section 10.1.3 of the Loan Agreement and (B) to the extent required to enable the Borrowers to comply with such contractual obligations, permit representatives and independent contractors of Administrative Agent to (i) visit and inspect any of its properties, (ii) to examine its corporate, financial and operating records, and files concerning the Project Portfolio, Loan Documents and Underlying Financing Documents, and make copies thereof or abstracts therefrom, and (iii) discuss the affairs, business (including, without limitation, all matters concerning the Project Portfolio and Underlying Financings), finances and accounts of Obligors (other than the Guarantors), with the directors, officers, independent public accountants (provided that the Guarantors shall be present for any meetings with such accountants), legal counsel and other independent agents and experts of such Guarantor at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to such Guarantor; provided that all reasonable and documented third party charges, costs and expenses of Administrative Agent and its representatives and independent contractors in connection with such visits, examinations and discussions shall be reimbursed by the Guarantors only in connection with two (2) such visits, examinations and discussions per fiscal year; provided, further, however, that when an Event of Default exists Administrative Agent (or its representatives or independent contractors) may do any of the foregoing at the expense of the Guarantors at any time during normal business hours and without advance notice.

(x) Compliance with Laws. Such Guarantor shall at all times, comply with all Applicable Laws (including Environmental Laws, FLSA, FATCA, OSHA and laws regarding collection and payment of Taxes, but excluding Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations) and maintain all Governmental Approvals necessary to the conduct of its business, unless failure to comply or maintain could not reasonably be expected to have a Material Adverse Effect. Such Guarantor shall at all times, comply in all material respects with Anti-Terrorism and Money Laundering Laws, OFAC, Sanctions, Anti-Bribery and Anti-Corruption Laws, and Foreign Asset Control Regulations, OFAC, Sanctions and Foreign Asset Control Regulations and regulations thereto.

(xi) Taxes. Such Guarantor shall pay and discharge all Taxes prior to the date on which they become delinquent or penalties attach, unless the amount is not material to it or its financial condition or such Taxes are being Properly Contested.

(xii) Financial Covenants.

(A) Minimum Liquidity Amount: HA INC shall not permit as of any date, the Liquidity Amount to be less than $25,000,000 (the "Minimum Amount"), it being agreed that if at any time the Liquidity Amount falls below the Minimum Amount (a " Liquidity Event") HA INC shall, (1) promptly (but in any event within five (5) Business Days after obtaining Knowledge thereof), deliver to the Administrative Agent written notice of such Liquidity Event and (2) not later than thirty (30) days after such Liquidity Event, cause the Liquidity Amount to be replenished to at least the Minimum Amount and deliver evidence of the same to the Administrative Agent; provided that, for purposes of the Compliance Certificate required to be delivered pursuant to Section 10.1.1(c) of the Loan Agreement, such Compliance Certificate will calculate the Minimum Liquidity Amount as of the last day of the Fiscal Quarter that ended immediately prior to the delivery of such Compliance Certificate.

(B) Minimum Net Investment Revenue: HA INC shall not permit, as of any Calculation Date (provided that the first such Calculation Date shall be December 31, 2018), the Net Investment Revenue to be less than or equal to $0 for the four Fiscal Quarter period ending on such Calculation Date.

(C) Maximum Debt to Equity Ratio: HA INC shall not permit, as of any date, the Consolidated Debt to Equity Ratio to equal or exceed 4.00 to 1.00 as of such date; provided that, for purposes of the Compliance Certificate required to be delivered pursuant to Section 10.1.1(c) of the Loan Agreement, such Compliance Certificate will calculate the Consolidated Debt to Equity Ratio as of the last day of the Fiscal Quarter that ended immediately prior to the delivery of such Compliance Certificate.

(xiii) Financial Statements and Covenants. The parties hereto agree that if at any time any change in GAAP (including the adoption of IFRS) or in the business or the accounting practices of HA INC would affect in a material way the computation of any financial ratio set forth herein or any component of such ratio, including the computations for the "Net Investment Revenue", " Interest Income, financing receivable", "Interest income, investments", "Rental Income", "Core equity method investment earnings" or "interest expense", and either the Guarantors or the Administrative Agent shall so request, the Administrative Agent and the Guarantors shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP or the business or accounting practice; provided that, until so amended pursuant to such request, (i) such ratio or requirement shall continue to be computed in accordance with past practice or GAAP prior to such change therein and (ii) the Guarantors shall provide to the Administrative Agent and the Lenders as reasonably requested hereunder, a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP or past practice.

(xiv) Margin Regulations. Such Guarantor shall not directly or indirectly apply any part of the proceeds of any Advance or other revenues to the purchasing or carrying of any margin stock within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve of the United States, or any regulations, interpretations or rulings thereunder.

(xv) Investment Company Act. Such Guarantor shall not take any action that would result in such Guarantor, or any other Obligor being required to register as an "investment company" under the Investment Company Act of 1940.

(xvi) Merger; Bankruptcy. No Guarantor shall, and no Guarantor shall agree to, enter into, or cause or permit any Subsidiary of such Guarantor to enter into, any transaction of merger or consolidation unless:

(A) simultaneous with the consummation of such merger or consolidation, Full Payment of all Obligations is made to the Administrative Agent; or

(B) with respect to any merger or consolidation between a Guarantor or Subsidiary of a Guarantor on the one hand and a Person that is not an Affiliate or a Subsidiary of a Guarantor on the other hand, the following conditions precedent are satisfied at the time of consummation of such merger or consolidation:

(1) the sum of (x) the aggregate proceeds and other consideration (regardless of the form of payment and including, for the avoidance of doubt, any assumption of liability) calculated in accordance with GAAP (the "Purchase Price") paid or exchanged by the Guarantors or Subsidiary of a Guarantor (the collective reference to the Guarantors and its Subsidiaries, the "Guarantor Parties") in connection with such merger or consolidation plus (y) the Purchase Price paid or exchanged by the Guarantor Parties in connection with all other mergers and consolidations made in reliance on this clause (ix)(B) since the date hereof plus (x) the Purchase Price paid by the Guarantor Parties in connection with all acquisitions in reliance on Section 15(b)(x)(B) since the date hereof, does not exceed $200,000,000;

(2) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.11 of the Loan Agreement) has occurred and is continuing at the time of such merger or consolidation or will be caused by or would result from the consummation of any such merger or consolidation;

(3) in the event that a Guarantor, HA LLC, HAT Holdings I LLC or HAT Holdings II LLC is a party to such merger or consolidation, such Guarantor, HA LLC, HAT Holdings I LLC or HAT Holdings II LLC, as the case may be, is the surviving entity;

(4) no Guarantor or other Person has merged into or with a Borrower or a Pledgor; provided that HA, LLC, HAT Holdings I LLC and HAT Holdings II LLC may merge into a Person that is not an Affiliate or a Subsidiary of a Guarantor so long as HA LLC, HAT Holdings I LLC or HAT Holdings II LLC, as the case may be, is the surviving entity;

(5) if the Purchase Price of such merger or consolidation exceeds $50,000,000, the Guarantors or a Borrower have provided the Administrative Agent with written notice of such merger or consolidation at least thirty (30) days prior to the consummation of such merger or consolidation;

(6) the material lines of business of the applicable Guarantor and its Subsidiaries, taken as a whole, after giving effect to any such merger or consolidation shall

not be substantially different from those lines of business conducted by such Guarantor and its Subsidiaries, taken as a whole, immediately prior to such merger or consolidation;

(7) the Administrative Agent has received all information and other documentation it reasonably requests with respect to such merger or consolidation (including, for the avoidance of doubt, from all parties to such merger or consolidation) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; and

(8) If the Purchase Price of such merger or consolidation exceeds $50,000,000, HA INC has delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the four Fiscal Quarter period that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation and (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to such merger or consolidation) as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation; or

(C) with respect to merger or consolidation between a Guarantor or Subsidiary of a Guarantor on the one hand, and another Guarantor or Affiliate or Subsidiary of a Guarantor on the other hand, each of the following conditions precedent have been satisfied at the time of such merger or consolidation:

(1) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.11 of the Loan Agreement) has occurred and is continuing at the time of such merger or consolidation, or will be caused by or would result from the consummation of any such merger or consolidation; provided that for purposes of this clause (1) no Default or Event of Default will be deemed to have occurred and be continuing as a result of a Change of Control described in *clause (ii)* and *(iii)* of the definition thereof in the Loan

Agreement so long as (a) the merger or consolidation is solely between HA INC and HA LP (or the surviving entity from a merger or consolidation described in clause (b) below) and the surviving entity continues to own and Control, beneficially and of record, directly or indirectly, at least 50.1% of the equity interests of HA LLC (or if such merger included the surviving entity from a merger or consolidation described in clause (b) below, directly or indirectly at least (x) 100% of the equity interests of the Borrowers and the Pledgors (other than HAT Holdings I and HAT Holdings II; provided that HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger) and (y) 50.1% of HAT Holdings I and HAT Holdings II; provided that HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger) or (b) the merger or consolidation is solely between HA LP and HA LLC and the surviving entity continues to own and Control, beneficially and of record, directly or indirectly, at least 100% of the equity interests of the Borrowers and the Pledgors (other than HAT Holdings I and HAT Holdings II; provided that (x) HAT Holdings I and HAT Holdings II continue to own, directly or indirectly, 100% of any Borrowers or Pledgors that they own at the time of such merger or consolidation and (y) HA LLC continues to own 50.1% of HAT Holdings I and HAT Holdings II (or any permitted successor to such entity) at the time of such merger; provided that HAT Holdings I and HAT Holdings II (or any permitted successor to such entity) continue to own 100% of any Borrowers or Pledgors that they own at the time of such merger);

(2) in the event that a Guarantor is a party to such merger or consolidation, a Guarantor is the surviving entity;

(3) no Guarantor or other Person has merged into a Borrower or a Pledgor, other than a merger of a Pledgor and another Pledgor;

(4) if another Guarantor or Pledgor is the non-surviving entity under any merger or consolidation,

(i) the surviving entity has expressly assumed the obligations of the non-surviving entity under each Loan Document to which the non-surviving entity is or was a party;

(ii) if a Pledgor is the non-surviving entity under any merger or consolidation, : (A) the Borrowers shall have delivered to the Administrative Agent the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other Lien filings on any of the Collateral pledged to the Collateral Agent by the Pledgors subject to such merger or consolidation, (B) Collateral Agent has been expressly granted a first priority Lien and security interest in all of the equity interests of applicable Borrower and certificates and transfers in blank have been delivered to the Collateral Agent sufficient to perfect such Lien and security interest by "control" (within the meaning of Sections 8-106 and 9-106 of the UCC, and the Administrative Agent shall have received a legal opinion, in form and substance satisfactory to the Administrative Agent, regarding perfection of such Lien in such collateral and (C) the Borrower has delivered any UCC financing statement amendments reasonably requested by the Administrative Agent (and a Borrower

has delivered other reasonably satisfactory documentation evidencing the assumptions and other matters described in this clause (4) to Administrative Agent);

(iii) the Guarantors or the Borrowers have provided the Administrative Agent with written notice of such merger or consolidation at least thirty (30) days prior to the consummation of such merger or consolidation; and

(iv) HA INC or a Borrower has delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the four Fiscal Quarter period that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation and, (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation (after giving pro forma effect to the consummation of such merger or consolidation as if such merger or consolidation had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such merger or consolidation; or

(5) If any of sub-clauses (C)(2), (3) or (4) apply, the Administrative Agent has received all information and other documentation it reasonably requests with respect to such merger or consolidation (including, for the avoidance of doubt, from all parties to such merger or consolidation) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; or

(D) such merger or consolidation is a merger by a Subsidiary of a Guarantor (that is also not a Guarantor, a Borrower or Pledgor, other than HA LLC, HAT Holdings I LLC and HAT Holdings II LLC) with a third-party to complete an investment in loans, assets and projects in the ordinary course of business; provided that if such Subsidiary is HA LLC, HAT Holdings I LLC or HAT Holdings II LLC, as applicable, such entity is the surviving entity;

provided that, notwithstanding the foregoing, nothing in this Section 15(b)(ix) shall in any way limit the provisions of Section 10.2.12 of the Loan Agreement; provided, further, that the Guarantors shall notify Administrative Agent in writing on or prior to the consummation of any such merger or consolidation where a Guarantor is a party whether such Guarantors will satisfy the conditions set forth in clause (A), (B) or (C) of this Section 15(b)(ix) (which notice may be contained within any notice otherwise required to be delivered pursuant to Section 15(b)(ix)(B)(5) or (C)(4)(iii)).

(xvii) Acquisitions. No Guarantor shall, and no Guarantor shall agree to, acquire, or cause or permit any Subsidiary of such Guarantor to acquire, by purchase or otherwise the business of another Person or all or substantially all of the Property of another Person or all or substantially all of the Equity Interests of another Person (other than, in each case, investments in loans, assets and projects in the Ordinary Course of Business) unless:

(A) simultaneous with the consummation of such acquisition, Full Payment of all Obligations is made to the Administrative Agent; or

(B) with respect to such acquisition by a Guarantor or Subsidiary of a Guarantor (other than a Borrower or a Pledgor, other than HA LLC, HAT Holdings I LLC and HAT Holdings II LLC, provided that HA LLC, HAT Holdings I LLC and HAT Holdings II LLC continue to own 100% of any Borrowers or Pledgors that they own at the time of such acquisition) of the business, Property or Equity Interests of a Person that is not an Affiliate or a Subsidiary of a Guarantor, the following conditions precedent are satisfied at the time of consummation of such acquisition:

(1) the sum of (x) the Purchase Price paid by the Guarantor Parties in connection with such acquisition plus (y) the Purchase Price paid by the Guarantor Parties in connection with all other acquisitions made in reliance on this clause (x)(B) since the date hereof plus (x) the Purchase Price paid or exchanged by the Guarantor Parties in connection with all mergers and consolidations in reliance on Section 15(b)(ix)(B) since the date hereof, does not exceed $200,000,000; and

(2) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.11 of the Loan Agreement) has occurred and is continuing at the time of such acquisition or will be caused by or would result from the consummation of any such acquisition;

(3) if the Purchase Price in connection with such acquisition exceeds $50,000,000, the Guarantors or the Borrowers have provided the Administrative Agent with written notice of the acquisition at least thirty (30) days prior to the proposed consummation date of such acquisition;

(4) the material lines of business of the Guarantors and their Subsidiaries, taken as a whole, after giving effect to any such acquisition shall not be substantially different from those lines of business conducted by the Guarantors and their Subsidiaries, taken as a whole, immediately prior to such acquisition;

(5) the Administrative Agent has received all information and other documentation it reasonably requests with respect to acquisition (including, for the avoidance of doubt, from all parties to such acquisition) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-

customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; and

(6) if the Purchase Price in connection with such acquisition exceeds $50,000,000, the Borrowers or the Guarantors have delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis at the time of the consummation of such acquisition and after giving effect thereto; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant for the four Fiscal Quarter period ending on the last day of the Fiscal Quarter that will immediately precede the consummation such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition and (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition; or

(C) with respect to such acquisition by a Guarantor of the business, Property or Equity Interests of another Guarantor or an Affiliate or a Subsidiary of a Guarantor (other than, in each case, a Borrower or a Pledgor; provided that HAT Holdings I LLC may acquire the business, Property or Equity Interests of HAT Holdings II LLC and HAT Holdings II LLC may acquire the business, Property or Equity Interests of HAT Holdings I LLC), the following conditions precedent are satisfied at the time of consummation of such acquisition:

(1) no Default or Event of Default (including, without limitation, pursuant to Section 11.1.1 of the Loan Agreement) has occurred and is continuing at the time of such acquisition, or will be caused by or would result from the consummation of any such acquisition;

(2) a Guarantor is the acquiring entity (or with respect to an acquisition by HAT Holdings I LLC of such assets of HAT Holdings II LLC, or vice versa, either HAT Holdings I LLC or HAT Holdings II LLC, as the case may be, is the acquiring entity)

(3) if the Property, Equity Interests or business of a Guarantor is being acquired:

(i) the acquiring Guarantor has expressly assumed the obligations of the non-surviving entity under each Loan Document to which the non-surviving entity is or was a party;

(ii) the Guarantors or the Borrowers have provided the Administrative Agent with written notice of such acquisition at least thirty (30) days prior to the consummation of such acquisition; and

(iii) the Guarantors have delivered to the Administrative Agent a compliance certificate demonstrating to the reasonable satisfaction of the Administrative Agent compliance with each of the financial covenants set forth in Section 15(b)(v) hereof on a pro forma basis at the time of the consummation of such acquisition and after giving effect thereto; provided that (i) with respect to the financial covenant set forth in Section 15(b)(v)(A) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition, (ii) with respect to the financial covenant set forth in Section 15(b)(v)(B) such pro forma statements shall include calculations showing compliance with such covenant for the four Fiscal Quarter period ending on the last day of the Fiscal Quarter that will immediately precede the consummation such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the first day of such four Fiscal Quarter period), as well as on a projected basis for the four Fiscal Quarter Period beginning on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition and (iii) with respect to the financial covenant set forth in Section 15(b)(v)(C) such pro forma statements shall include calculations showing compliance with such covenant as of the last day of the Fiscal Quarter that will immediately precede the consummation of such acquisition (after giving pro forma effect to the consummation of such acquisition as if such acquisition had occurred on the last day of such Fiscal Quarter), as well as on a projected basis, as of the last day of the four Fiscal Quarter period that begins on the first day after the end of the Fiscal Quarter that will immediately precede the consummation of such acquisition; and

(4) If HAT Holdings I LLC acquires the business, Property or Equity Interests of HAT Holdings II LLC or vice versa, the following conditions shall apply:

(i) the buyer entity has expressly assumed the obligations of the seller entity under each Loan Document to which the seller entity is or was a party without novation and subject to documentation (including an assignment agreement) in form and substance reasonably satisfactory to the Administrative Agent;

(ii) (A) the Borrowers shall have delivered to the Administrative Agent the results of a recent search by a Person satisfactory to Administrative Agent that there are no UCC or Tax or other Lien filings on any of the Collateral previously pledged to the Collateral Agent by the seller entity subject to such acquisition, (B) Collateral

Agent has been expressly granted a first priority Lien and security interest in all of the equity interests in the Pledgor owned by seller immediately prior to such acquisition and certificates and transfers in blank have been delivered to the Collateral Agent sufficient to perfect such Lien and security interest by "control" (within the meaning of Sections 8-106 and 9-106 of the UCC), and the Administrative Agent shall have received a legal opinion, in form and substance satisfactory to the Administrative Agent, regarding perfection of such Lien in such collateral and (C) the Borrower has delivered any UCC financing statement amendments reasonably requested by the Administrative Agent (and a Borrower has delivered other reasonably satisfactory documentation evidencing the assumptions and other matters described in this clause (4) to Administrative Agent);

(iii) the Guarantors or the Borrowers have provided the Administrative Agent with written notice of such acquisition at least thirty (30) days prior to the consummation of such acquisition; and

(5) the Administrative Agent has received all information and other documentation it requests with respect to an acquisition (including, for the avoidance of doubt, from all parties to such acquisition) in order for it and the Lenders and Issuing Banks to comply with their ongoing obligations under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Anti-Terrorism Laws; or

(D) such acquisition is an acquisition by a Subsidiary of a Guarantor (that is also not a Guarantor, a Borrower or a Pledgor, other than HA LLC, HAT Holdings I LLC and HAT Holdings II LLC) of the business, Property or Equity Interests of another Subsidiary of a Guarantor (that is also not a Guarantor, a Borrower or a Pledgor) or with a third-party to complete an investment in loans, assets and projects in the ordinary course of business;

provided that, notwithstanding the foregoing, nothing in this Section 15(b)(x) shall in any way limit the provisions of Section 10.2.12 of the Loan Agreement; provided, further, that the Guarantors shall notify Administrative Agent in writing at on or prior to the consummation of any such acquisition involving a Guarantor whether such Guarantors will satisfy the conditions set forth in clause (A), (B) or (C) of this Section 15(b)(x) (which notice may be contained within any notice otherwise required to be delivered pursuant to Section 15(b)(x)(B)(3) or (C)(3)(ii)).

(xviii) Knowledge. Such Guarantor hereby acknowledges and agrees that pursuant to the terms of, and for all purposes contained in, the Loan Agreement and other Loan Documents, any reference to the "Knowledge" of the Borrowers and Guarantors shall mean and include, without limitation, the actual knowledge of the officers or employees of such Guarantor whose duties require them to have responsibility for the matter in question.

16. Indemnification and Survival. Without limitation on any other obligations of the Guarantors or remedies of the Lender or any other Secured Party under this Guaranty, the Guarantors, jointly and severally, shall to the fullest extent permitted by law, indemnify, defend and save and hold harmless each Secured Party from and against, and shall pay within ten (10) Business Days of request, any and all damages, losses, liabilities and reasonable and documented, out of pocket third party fees, costs and expenses (including attorneys' fees and expenses) that may be suffered or incurred by any Secured Party in connection with or as a result of any failure of any Guarantors obligations under this Guaranty to be the legal, valid and binding obligations of such Guarantor enforceable against such Guarantor in accordance with its terms;

provided that the scope of the indemnity set forth in this Section 16 shall be limited to any and all claims that Administrative Agent and Secured Parties could have asserted or demanded against one or more of the Guarantors in respect of the Guaranteed Obligations had this Guaranty been enforceable, plus any reasonable and documented, out of pocket third party fees costs and expenses (including attorneys' fees and expenses) associated with the enforcement and collection of this indemnity; provided, further that the parties hereto agree that the Administrative Agent, Issuing Banks and the Lenders are not waiving, and this limitation shall not be deemed or construed to be a waiver of, any rights, remedies or claims that the Administrative Agent or the other Secured Parties could have asserted against the Guarantors under this Guaranty had this Guaranty been enforceable in accordance with its terms. The obligations of the Guarantors under this paragraph shall survive termination of this Guaranty.

17. Process Agent Appointment. WITHOUT PREJUDICE TO ANY OTHER MODE OF SERVICE, EACH GUARANTOR AFFIRMS ITS IRREVOCABLE APPOINTMENT OF CORPORATION SERVICES COMPANY AS ITS AGENT FOR SERVICE OF PROCESS IN THE STATE OF NEW YORK; EACH GUARANTOR AGREES THAT FAILURE BY ITS AGENT FOR SERVICE OF PROCESS TO NOTIFY SUCH GUARANTOR OF THE SERVICE OF PROCESS WILL NOT INVALIDATE THE PROCEEDINGS CONCERNED; AND EACH GUARANTOR CONSENTS TO THE SERVICE OF PROCESS RELATING TO ANY SUCH PROCEEDINGS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO SUCH GUARANTOR AT ITS ADDRESS SET FORTH HEREIN.

18. GOVERNING LAW; Assignment; Jurisdiction; Notices . **THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK**. This Guaranty shall (a) bind the Guarantors and their respective successors and assigns; provided that no Guarantor may assign its rights or obligations under this Guaranty without the prior written consent of the Administrative Agent (and any attempted assignment without such consent shall be void), and (b) inure to the benefit of the Administrative Agent and each other Secured Party and their successors and assigns and Administrative Agent and each other Secured Party may, without notice to the Guarantors and without affecting any Guarantor's obligations hereunder, assign, sell or grant participations in the Guaranteed Obligations and this Guaranty, in whole or in part (subject to the terms of the Loan Agreement). Each Guarantor hereby irrevocably (i) submits to the non-exclusive jurisdiction of any United States Federal or State court sitting in New York County, New York in any action or proceeding arising out of or relating to this Guaranty, and (ii) waives to the fullest extent permitted by law any defense asserting an inconvenient forum in connection therewith. Service of process by Administrative Agent or any other Secured Party in connection with such action or proceeding shall be binding on each Guarantor if sent to such Guarantor by registered or certified mail at its address specified below or such other address as from time to time notified by the Guarantors. Each Guarantor agrees that Administrative Agent and each other Secured Party, subject to its obligations under Section 14.11 of the Loan Agreement, may disclose to any assignee of or participant in, or any prospective assignee of or participant in accordance with the Loan Agreement, any of its rights or obligations of all or part of the Guaranteed Obligations any and all information in the Administrative Agent's or such other Secured Party's possession concerning the Guarantors and this Guaranty. All notices and other communications to the Guarantors under this Guaranty shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the applicable Guarantor at its address set forth below or at such other address in the United States as may be specified by the Guarantors in a written notice delivered to the Administrative Agent at such office as Administrative Agent may designate for such purpose from time to time in a written notice to the Guarantors.

19. W**AIVER OF JURY TRIAL; FINAL AGREEMENT** . TO THE EXTENT ALLOWED BY APPLICABLE LAW, EACH GUARANTOR, ADMINISTRATIVE AGENT AND EACH OTHER SECURED PARTY EACH IRREVOCABLY WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ON, ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE GUARANTEED OBLIGATIONS. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

20. Counterparts. This Guaranty may be executed in any number of counterparts, each of which shall collectively and separately constitute one and the same agreement.

21. Performance. If any performance (other than payment) under this Guaranty is specified to be made on a day which is not a Business Day, it shall be made on the next Business Day.

22. Severability. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

23. Bankruptcy. Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding under any Debtor Relief Laws (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of the Guarantors and beneficiaries that the Guaranteed Obligations which are guaranteed by the Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Obligors of any portion of such Guaranteed Obligations. The Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

24. Limitation on Guaranteed Obligations. Notwithstanding any provision herein contained to the contrary, each Guarantor's liability hereunder shall be limited to the amount which could be claimed by Administrative Agent and other Secured Parties from each such Guarantor under this Guaranty without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Guaranty has been executed and delivered as of the date set forth below.

HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE CAPITAL, INC.

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

HANNON ARMSTRONG CAPITAL, LLC

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

ANNEX A

DEFINITIONS

The following terms in this Guaranty shall have the meanings set forth below:

"Administrative Agent" has the meaning set forth in Section 1.

"Aggregate Availability" means as of any date of determination, the sum of (x) the Availability Amount and (y) the "Availability Amount" (as defined in the Other Loan Agreement), in each case, as of such date of determination.

"Attributable Indebtedness" means, as of any date, in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"Borrower" or "Borrowers" has the meaning set forth in the preamble to this Guaranty.

"Calculation Date" means the last day of each Fiscal Quarter of HA INC.

"Cash Equivalents" means 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 as used in the HA INC financial statements delivered to Administrative Agent in accordance with Section 10.1.1(a) (i) or (b)(i) of the Loan Agreement, as applicable.

"Consolidated Debt to Equity Ratio" means, as of any date of determination, the ratio of (i) Consolidated Funded Debt as of such date to (ii) Consolidated Equity as of such date.

"Consolidated Equity" means, as of any date of determination, for the Consolidated Group on a consolidated basis, an amount equal to the aggregate book value of the assets of the Consolidated Group minus the sum of all of the liabilities of the Consolidated Group (including accrued and deferred income taxes) all as determined in accordance with GAAP.

"Consolidated Funded Debt" means, as of any date of determination, for the Consolidated Group, on a consolidated basis, the sum of (without duplication) (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments, but excluding obligations collateralized with cash (but only up to the amount so collateralized) or arising under performance letters of credit, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable and other similar accrued expenses in the Ordinary Course of Business), (e) Attributable Indebtedness in respect of capital leases, (f) without duplication, all Guarantees with respect to any of the obligations and indebtedness of the types referred to in clauses (a) through (e) above of any Person, and (g) all obligations and indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation, limited liability company or other comparable limited liability entity) in which the any member of the Consolidated Group is a general partner or joint venture, unless such obligation or indebtedness is expressly made non-recourse to the Guarantors; provided that

Consolidated Funded Debt shall not include Non-Recourse Debt. The Consolidated Funded Debt of a Person shall include any recourse Consolidated Funded Debt of any partnership in which such Person is a general partner or joint venture to the extent the Person is liable for such Consolidated Funded Debt to a third party (which is not an Affiliate of HA INC), if any, either directly to such third party or indirectly to such third party through its interest in a partnership or joint venture.

"Consolidated Group" means HA INC and its Subsidiaries.

"Consolidated Interest Expense" means for any period for the Consolidated Group on a consolidated basis, the expenses classified as "interest expense" as it appears in the HA INC financial statements delivered to the Administrative Agent in accordance with Section 10.1.1(a) (i) or (b)(i) of the Loan Agreement, as applicable.

"Consolidated Interest Income: means for any period for the Consolidated Group on a consolidated basis the income classified as "Interest income, financing receivable", Interest income, investments", "Rental Income", or "Core equity method investment earnings" as it appears in the HA INC financial statements delivered to the Administrative Agent in accordance with Section 10.1.1(a) (i) or (b)(i) of the Loan Agreement, as applicable.

"Debtor Relief Laws" has the meaning set forth in Section 2.

"Guarantee" means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any obligation payable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such obligation of the payment or performance of such obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any obligation of any other Person, whether or not such obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made which shall not exceed the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith in accordance with GAAP. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 2.

"Guarantor" has the meaning set forth in the preamble to this Guaranty.

"Guarantor Parties" has the meaning set forth in Section 15(b)(ix)(B)(1) of this Guaranty.

"Guaranty" means this Guaranty (Approval-Based), dated as of December 13, 2018, issued by each Guarantor signatory hereto, as amended, modified, supplemented from time to time in accordance herewith.

"HA INC" means Hannon Armstrong Sustainable Infrastructure Capital, Inc.

"HA LLC" means Hannon Armstrong Capital, LLC.

"Lender" has the meaning set forth in the preamble to this Guaranty.

"Liquid Investments" means, on a consolidated basis, cash and Cash Equivalents on the balance sheet of the Consolidated Group.

"Liquidity Amount" means, as of any date of measurement thereof, the sum of (x) the aggregate amount (all such amounts to be in Dollars) of all Liquid Investments of the Consolidated Group on such date *plus* (y) the Aggregate Availability on such date, but excluding from such amount, any Liquid Investment of the Consolidated Group that is either (i) restricted from payment to the Borrowers in satisfaction of the Obligations or the Other Obligations, (ii) classified as "Restricted Cash (which shall include any restricted Cash Equivalents)" or would otherwise be treated as a restricted asset, in each case under GAAP or (iii) on deposit in a Borrower Collateral Account or in an Other Borrower Collateral Accounts, that will be used to pay accrued interest or fees.

"Loan Agreement" has the meaning set forth in Section 1 to this Guaranty.

"Net Investment Revenue" means, for any period for the Consolidated Group on a consolidated basis, an amount equal to the difference between (x) Consolidated Interest Income and (y) Consolidated Interest Expense.

"Other Borrower Collateral Accounts" means each Borrower Collateral Account as defined in the Other Loan Agreement.

"Other Loan Agreement" means the Loan Agreement (Rep-Based), dated as of December 13, 2018, by and among Titan Borrower (HASI) LLC, Titan Borrower (HAT I) LLC, Titan Borrower (HAT II) LLC, the lender from time to time party thereto and Bank of America, N.A., as administrative agent, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Purchase Price" has the meaning set forth in Section 15(b)(ix)(B)(1) of this Guaranty.

EXHIBIT 21.1
SUBSIDIARIES OF THE REGISTRANT

Subsidiary	Jurisdiction
Cobalt Upwind Holdings LLC	Delaware
HA Athena Capital Holdings LLC	Delaware
HA Buckeye Holdings LLC	Delaware
HA CLP Funding LLC	Delaware
HA Daybreak Holdings LLC	Delaware
HA Fusion Holdings LLC	Delaware
HA Fusion LLC	Delaware
HA Galileo LLC	Delaware
HA Helix LLC	Delaware
HA INV Buckeye LLC	Delaware
HA INV Gunsight LLC	Delaware
HA Land Lease I LLC	Delaware
HA Land Lease II LLC	Delaware
HA Land Lease Holdings LLC	Delaware
HA Land Lease Holdings II LLC	Delaware
HA PACE Warehouse LLC	Delaware
HA Rooftop Holdings LLC	Delaware
HA Rooftop I LLC	Delaware
HA Sunrise LLC	Delaware
HA Thrive LLC	Delaware
HA Virginia Land LLC	Delaware
HA WG Funding LLC	Maryland
HA Wildcat LLC	Delaware
HA Wind I LLC	Delaware
HA Wind II LLC	Delaware
HA Wind IV LLC	Delaware
Hannie Mae Goco LLC	Maryland
Hannie Mae II LLC	Maryland
Hannie Mae IV LLC	Maryland
Hannie Mae V LLC	Maryland
Hannie Mae XI LLC	Maryland
Hannie Mae XII LLC	Maryland
Hannie Mae XIII LLC	Maryland
Hannie Mae XIV LLC	Maryland
Hannie Mae LLC	Virginia
Hannie Mae SRS Funding LLC	Maryland
Hannon Armstrong Capital, LLC	Maryland
Hannon Armstrong KCS Funding LLC	Maryland
Hannon Armstrong Securities, LLC	Maryland
Hannon Armstrong Sustainable Infrastructure, L.P.	Delaware
HASI ECON 101 LLC	Delaware
HASI OBS OP A LLC	Maryland
HASI SYB I LLC	Maryland
HASI SYB 2017-1 LLC	Delaware
HASI SYB Trust 2016-2 Holdings LLC	Delaware
HAT Holdings I LLC	Maryland
HAT Holdings II LLC	Maryland
HAT OBS OP A LLC	Maryland
HAT OBS OP 5 LLC	Maryland
HAT SYB I LLC	Maryland
HAT SYB Trust 2016-2 Holdings LLC	Delaware

Rhea Borrower (HASI) LLC	Delaware
Rhea Borrower (HAT I) LLC	Delaware
Rhea Borrower (HAT II) LLC	Delaware
Strong Upwind Holdings LLC	Delaware
Strong Upwind Holdings II LLC	Delaware
Strong Upwind Holdings III LLC	Delaware
Strong Upwind Residual LLC	Delaware
SunStrong Capital Lender Holdings LLC	Maryland
SunStrong Capital Lender LLC	Maryland
SunStrong Capital Lender 2 LLC	Maryland
Titan Borrower (HASI) LLC	Delaware
Titan Borrower (HAT I) LLC	Delaware
Titan-Rhea Holdings (HASI) LLC	Delaware
Titan-Rhea Holdings (HAT I) LLC	Delaware
Titan-Rhea Holdings (HAT II) LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-198158) of Hannon Armstrong Sustainable Infrastructure Capital, Inc.,
(2) Registration Statement (Form S-8 No. 333-212913) pertaining to the 2013 Hannon Armstrong Sustainable Infrastructure Capital, Inc. Equity Incentive Plan, and
(3) Registration Statement (Form S-3ASR No. 333-215229) of Hannon Armstrong Sustainable Infrastructure Capital, Inc.

of our reports dated February 22, 2019, with respect to the consolidated financial statements of Hannon Armstrong Sustainable Infrastructure Capital, Inc. and the effectiveness of internal control over financial reporting of Hannon Armstrong Sustainable Infrastructure Capital, Inc. included in this Annual Report (Form 10-K) of Hannon Armstrong Sustainable Infrastructure Capital, Inc. for the year ended December 31, 2018.

/s/ Ernst & Young LLP

Tysons, Virginia
February 22, 2019

EXHIBIT 31.1
CERTIFICATIONS

I, Jeffrey W. Eckel, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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: February 22, 2019

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

EXHIBIT 31.2
CERTIFICATIONS

I, J. Brendan Herron, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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: February 22, 2019

By: /s/ J. Brendan Herron
Name: J. Brendan Herron
Title: Chief Financial Officer

EXHIBIT 32.1
CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002, 10 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "Company") for the period ended December 31, 2018 to be filed with the Securities and Exchange Commission on or about the date hereof (the "report"), I, Jeffrey W. Eckel, Chief Executive Officer and President of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

Date: February 22, 2019

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

EXHIBIT 32.2
CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002, 10 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Hannon Armstrong Sustainable Infrastructure Capital, Inc. (the "Company") for the period ended December 31, 2018 to be filed with the Securities and Exchange Commission on or about the date hereof (the "report"), I, J. Brendan Herron, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

Date: February 22, 2019

By: /s/ J. Brendan Herron
Name: J. Brendan Herron
Title: Chief Financial Officer