

Footnote 757, 758

To: [REDACTED]
From: Ken Levit
Sent: Thur 8/18/2011 6:28:02 PM
Subject: Re: White House/DOE

I think it's beyond them. But Maybe.

Sent from my iPhone

On Aug 18, 2011, at 1:26 PM, [REDACTED] wrote:

Should we consider enlisting Saxxum?

We need to determine who fields the calls and what they say.

From: Ken Levit [REDACTED]
Sent: Thursday, August 18, 2011 1:24 PM
To: [REDACTED]
Subject: Fwd: White House/DOE

This is going to be very big. We need to think through PR even if the answer is to do nothing

Sent from my iPhone

Begin forwarded message:

From: George Kaiser [REDACTED]
Date: August 18, 2011 11:54:49 AM CDT
To: Ken Levit [REDACTED]
Subject: FW: White House/DOE

Solyndra, of course. Coming through the political arm.

From: Carson, Brad [REDACTED]
Sent: Wednesday, August 17, 2011 4:06 PM
To: George Kaiser
Subject: White House/DOE

George,

The Obama folks called saying that the White House Liaison for the Department of Energy wanted your contact information. Usually these people handle appointments and the like.

I passed on your [REDACTED] phone number and your email. Hope that's okay.

Brad

Footnote 759-762

To: [REDACTED]
From: Steve Mitchell
Sent: Thur 8/18/2011 3:51:07 PM
Subject: RE: RE: Solyndra restructuring

I agree with you that George should probably call him. This is certainly not us trying to influence the government, it is obviously the other way around. I'm curious what Jonathan will say as well.

From: [REDACTED]
Sent: Thursday, August 18, 2011 10:45 AM
To: George Kaiser; [REDACTED] Steve Mitchell; Fred Dorwart
Subject: RE: Solyndra restructuring

Sorry, I'm not following. Are you saying that Steve calling him is not ignoring him?

From: George Kaiser
Sent: Thursday, August 18, 2011 10:44 AM
To: [REDACTED] Steve Mitchell; Fred Dorwart
Subject: RE: Solyndra restructuring

That will just allow him to keep trying to draw me out and could end up being more rude than an indirect message from Steve. Just ignoring him, I think, would be the worst option.

From: [REDACTED]
Sent: Thursday, August 18, 2011 10:32 AM
To: George Kaiser; [REDACTED] Steve Mitchell; Fred Dorwart
Subject: RE: Solyndra restructuring

I'm sure that will be Fred's advice, and it is certainly wise advice. That said, taking a call and saying 1) it isn't your call on whether or not to make the loan and 2) from what you understand, there is no believable workable business plan would not be out of line, in my view.

From: George Kaiser
Sent: Thursday, August 18, 2011 10:11 AM
To: [REDACTED] Steve Mitchell; [REDACTED] Fred Dorwart
Subject: RE: Solyndra restructuring

Steve is already having plenty of similar conversations with them so I'm not worried about that. Fred will probably say to just ignore him but I am concerned about that approach.

From: [REDACTED]
Sent: Thursday, August 18, 2011 9:50 AM
To: George Kaiser; Steve Mitchell; [REDACTED] Fred Dorwart
Subject: RE: Solyndra restructuring

I'll defer to Fred on this but this seems to make sense to me, unless the message passed along through Steve counts as "communication" from the political point of view when looked at in hindsight.

From: George Kaiser [REDACTED]
Sent: Thursday, August 18, 2011 9:44 AM
To: Steve Mitchell; [REDACTED] Fred Dorwart; [REDACTED]
Subject: RE: Solyndra restructuring

Jonathan Silver called; I didn't take the call.

Should Steve reflect back that GKFF is the decision maker, advised by Argonaut, and that I want to continue the policy of having no discussions re Solyndra with anyone in government? We may have to work with them in the reorganization and it makes no sense to irritate them.

From: Steve Mitchell
Sent: Wednesday, August 17, 2011 8:19 PM
To: [REDACTED] Fred Dorwart; [REDACTED]
Cc: George Kaiser
Subject: Re: Solyndra restructuring

Sorry hit send to quickly. Anyway - the DOE was back pedaling from their offer and offering up essentially all points up to negotiation. I insisted it was not just about the deal but that we are failing to build confidence around the company's revised plan.

George - I received a heads up call from a friend in the industry who was asked to call you regarding the company. The contention was that I was not letting the DOE speak with you. Somewhat silly as they have

your contact information. Either way - please don't be surprised if you receive a call or two. I do think it is a relevant point that you have never had a conversation regarding Solyndra with the DOE or the administration.

From: Steve Mitchell
Sent: Wednesday, August 17, 2011 08:13 PM
To: [REDACTED] Fred Dorwart; [REDACTED]
Cc: George Kaiser
Subject: Re: Solyndra restructuring

I talked further with the DOE later this afternoon to continue to communicate that they need to prepare for the company to wind down

From: [REDACTED]
Sent: Wednesday, August 17, 2011 02:58 PM
To: Fred Dorwart; Steve Mitchell; [REDACTED]
Cc: George Kaiser
Subject: Re: Solyndra restructuring

None here.

From: Fred Dorwart
Sent: Wednesday, August 17, 2011 02:55 PM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED]; George Kaiser; Fred Dorwart
Subject: RE: Solyndra restructuring

I think we are all agreed we are done. Any dissents?

Frederic Dorwart



To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you are not the original addressee of this communication, you should seek advice based on your particular circumstances from an independent advisor.

From: Steve Mitchell [REDACTED]
Sent: Wednesday, August 17, 2011 2:55 PM
To: [REDACTED]
Cc: Dorwart, Fred; [REDACTED]; George Kaiser
Subject: RE: Solyndra restructuring

I think any filing will create such a short term negative with the business (said another way a filing with kill all of the positive momentum we have generated over the past 6 months). So beyond the legal implications of achieving a better structure in a bankruptcy reorganization – I believe a \$75 to \$100 million funding need potentially becomes a \$200 million funding need as revenues disappear over the next 6 to 9 months as a result of the bankruptcy.

The DOE has called back and is essentially negotiating against themselves to see what it is we would do. Apparently they have heard from the company that we continue to make preparations for the wind down. I'm not suggesting we counter their proposal – since I'm not confident anyone would even support the proposal we made to the DOE last week. I do want to be transparent with the discussions however.

[REDACTED] and I just wrapped up a call with Brian Harrison regarding the business plan. He still fears the macro situation in the solar market. He's hearing that there are as much as 5 to 7 gigawatts of excess inventory in the pipeline. This is 5 to 6 months of inventory which could cause pricing to be even worse.

My recommendation remains the same.

From: [REDACTED]
Sent: Wednesday, August 17, 2011 2:43 PM
To: Steve Mitchell
Cc: Fred Dorwart; [REDACTED]; George Kaiser
Subject: Re: Solyndra restructuring

Besides the fact we aren't on board with the management plan - this is not a good deal on it's face.

Too much leverage, too little compensation for the risk, too much DOE involvement, and a probable additional restructuring in six to twelve months to further reduce the debt balance.

I do not want to do this deal.

What's the chance in chapter 11 we can craft a much better deal?

On Aug 17, 2011, at 2:34 PM, "Steve Mitchell" <SteveM@kfoc.net> wrote:

Guys,

We did finally hear back from the DOE. This was supposed to happen on Sunday afternoon but the discussion kept getting pushed off. The DOE did brief the OMB and White House on this proposal. Making this proposal to us was approved BUT closing on this proposal is still not approved. I will detail the proposal below but I want to point out the two fundamental flaws with this outline: first: the proposal undervalues the security that the Tranche A currently has (which is senior secured and, we believe, in the money in a liquidation scenario) and second: the proposal does not provide sufficient upside for the new invested capital in a positive outcome.

The DOE's proposal is as follows:

- Tranche A is increased to \$150 million that is senior secured. This new Tranche A would be made up of our current Tranche A loan and \$75 million of the DOE's capital that is currently in Tranche B. The new Tranche A \$150 million would be pari passu in a liquidation scenario. Assuming the low end of the security value is correct (\$70 to \$170 million) then our current Tranche A is

significantly impaired.

- New capital of \$100 million is either committed or funded into the company. This new capital would be funded into the company as debt junior to the new Tranche A of \$150 million.
- The remaining \$75 million of the DOE's current Tranche B would be moved down the capital structure to be junior to the new Tranche A of \$150 million and the new capital of \$100 million.
- The DOE's Tranche D of \$385 million of capital would be converted into 35% to 40% of equity in Solyndra. The DOE would only receive 35% if the \$100 million is funded up-front. If the \$100 million is subject to milestones and funded over time then the DOE would receive 40% of the company and the conversion would occur on a pro-rata basis as the \$100 million was funded (i.e. for every \$1 million of new capital invested \$3.85 million of Tranche D debt would convert into .4% of Solyndra).
- Tranche E would go away – presumably it would be converted to equity. This would require new investors to negotiate a deal with the Tranche E equity to convert – the Tranche D is parri pasu (for the most part) so the Tranche E investors would have a strong argument that they should receive pro rata what the Tranche D did for its conversion (\$385 million into 40% so \$175 million gets approximately 18%).
- Current Tranche A & B would continue to fund the final \$15 million upon meeting the remaining milestones.
- The DOE would want 2 board seats and would require the company to hire a Chief Restructuring Officer.

Assuming that we were comfortable underwriting the business plan – which I believe we are not and I have continued to communicate that to the DOE and the company – I do not think this is a structure that adequately addresses the company's overweight balance sheet (i.e. \$325 million of debt is still too much for Solyndra); I don't think the Tranche A restructuring makes sense in light of our current belief that our current Tranche A (\$75 million) is covered in a liquidation scenario (and our belief that there is not substantially greater coverage than that first \$75 million) and this structure does not adequately compensate the new investors for writing a \$100 million check (it is behind \$150 million as it was in our proposal, however, by requiring 40% of Solyndra's equity the DOE is setting a value on the debt forgiveness which will likely require 18% to convert the Tranche E – the Tranche A will also require some compensation for giving up its senior secured position (use 10% as a strawman) and the A/R and Inventory

facilities will require some compensation for continued participation (use 5% as a strawman) this only leaves 27% for the new investment of \$100 million.

The company hopes that if we turn down the DOE's proposal that the DOE will ultimately accept our original proposal. I have communicated to management that we are not prepared to underwrite the current business plan and will not be moving forward. Although management is preparing for a wind down of operations this Friday and a Chapter 11 filing next week, management is still holding out hope that we are positioning to get the best deal possible with the DOE. I have told them this is not the case.

We are working with management to have an orderly liquidation and to hopefully have enough capital remaining in the business to effect such an outcome without the need to put any additional dollars up to keep this out of a chapter 7 situation (we have several avenues for funding that don't require a fight with the DOE over a priming dip loan – the best avenue is funding into Tranche A prior to the filing). We are also doing everything we need to do to collect the A/R on our own should that need arise (which it would in a chapter 7 situation in which a trustee is appointed) and we are working to move our inventory off site into our own warehouse as well.

My recommendation is that we not accept the DOE's proposal and that we continue to prepare for the outcome of an orderly liquidation.

Please advise if you are in agreement with this recommendation or if you have any questions or comments. Obviously we can meet to discuss at anytime as well.

Steve

Footnote 763

To: Ken Levit [REDACTED]
From: George Kaiser
Sent: Thur 8/18/2011 4:55:30 PM
Subject: FW: FW: Call Jonathan Silver, DOE

I have refused the call and Steve is explaining why.

From: [REDACTED]
Sent: Thursday, August 18, 2011 9:52 AM
To: George Kaiser
Subject: Call Jonathan Silver, DOE

Office [REDACTED] or Cell [REDACTED]

"It is of some urgency and he'd like to talk to you this morning."

[REDACTED]
Assisting George B. Kaiser
[REDACTED]

Footnote 765

From: [REDACTED] on behalf of Fygi, Eric
To: Silver, Jonathan
Cc: [REDACTED]; Richardson, Susan; [REDACTED]; Fygi, Eric
Subject: Meeting Regarding Solyndra
Date: Thursday, August 18, 2011 5:25:51 PM

Jonathan,

This note will memorialize that yesterday afternoon, at your request, we met to consider the potential need for you directly to approach the principal equity owner of this firm in the furtherance of your responsibilities as Executive Director of the Loans Program Office. The meeting was also attended by [REDACTED], Deputy Assistant General Counsel for Standards of Conduct and acting Designated Agency Ethics Official, and Susan Richardson, Chief Counsel of the Loans Program Office. After considering the course of action that you described orally, it became apparent that there was no legal impediment to the course that you described and we so advised you.

Eric J. Fygi

Acting General Counsel

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, August 17, 2011 6:10 PM
To: Fygi, Eric
Subject: Meeting Confirmation

This note is to record that a meeting was held today at approximately 5:30 pm in your office for the purpose of discussing potential communications regarding the Solyndra loan guarantee transaction. In addition to you, the meeting participants included Jonathan Silver, Susan Richardson, and me.

[REDACTED]

Deputy Assistant General Counsel for Standards of Conduct

1

Footnote 766, 768

Microsoft Outlook

From: Colyar, Kelly T.
Sent: Thursday, August 11, 2011 1:48 PM
To: Mertens, Richard A.; Carroll, J. Kevin; [REDACTED]
Subject: Solyndra

Below is an update on the Solyndra loan guarantee. Please let me know if you have any comments or questions.

Solyndra Loan Guarantee

DOE told OMB and other EOP staff today that Solyndra is experiencing difficulties and that a bankruptcy or restructuring is imminent (potentially in the next few days). At this point, \$526.8 million of the \$535 million loan guarantee has been disbursed. Due to the restructuring this past March in which DOE subordinated its debt to Solyndra's investors, recoveries for the U.S. government in the event of a default are likely to be minimal. DOE believes they will have a better idea of the path forward in the next 24-48 hours. This issue could become public very quickly since Solyndra may already be unable to pay their suppliers.

You may recall that DOE announced in March that they had restructured the Solyndra loan. Prior to this restructuring, OMB staff expressed reservations about the prospects of the company and DOE's proposal. This issue was discussed with the NEC and the Chief of Staff. In the end, citing DOE's expertise in the transaction, OMB deferred to DOE's determination that the proposed restructuring would result in better recoveries for U.S. taxpayers than had DOE called default and taken over the asset immediately. OMB staff specifically cited concerns about the company's ability to meet their projections, subordination of the DOE loan, and the likelihood that Solyndra's investors may not ultimately provide the additional capital the company required to continue operations.

Unfortunately, the scenario which OMB staff had feared has materialized. DOE has indicated that Solyndra revised their sales forecasts last week and that these projections have decreased significantly due to reduced sales in Europe and continued pressure from Chinese panel manufacturers. Solyndra's investors are due to provide an additional \$75 million in senior debt pursuant to the March restructuring, but so far they have refused based on these revised projections. These investors are now considering whether to seek a bankruptcy or restructuring.

Footnote 769

To: George Kaiser; [REDACTED] Fred Dorwart
From: Steve Mitchell
Sent: Sun 8/14/2011 11:23:43 PM
Subject: Re: Re: current modeling

I am working with gibson dunn to have a term sheet finalized by tmrw morning. They are utilizing CVRs to convey equity type ownership without actually granting equity. This will reduce the NOL by the amount of debt forgiven but if issued at the LLC subsidiary level they will create a change of control (NOLs are at the parent level).

I did have several very disappointing calls with Jonathan Silver and Frances over the past 2 days. I don't fully trust Jonathan's intentions and he keeps pushing us to fund 4 weeks of working capital without any framework for a deal. I held firm that this was a non-starter for us and that we continue to be frustrated that we conveyed a framework for a deal on Wednesday to the DOE and they still have not given us any feedback on the proposal.

I told Jonathan that we were meeting on Monday to finalize a term sheet that we would submit to the DOE. At was clear that we weren't issuing a tale it or leave it deal, but we were trying to find a way for them to engage in the discussion. He immediately asked that we not submit a term sheet as that would be very problematic for the DOE (I get the impression they are damned if they do and damned if they don't - if they cut a deal with us they will be second guessed. If the company fails and the existence of a term sheet that could have saved the company is discovered then that is a bad fact as well). He finally agreed to verbally convey a framework of a deal that DOE would support to me (this was supposed to happen today and he pushed it back until Monday):

They DOE's big 780is MW AMP loan program is set to be closed early in September - Brian Harrison and I both suspect Jonathan is pushing for 4 weeks of capital to avoid this derailing the AMP program. Perhaps we are too paranoid.

So the term sheet isn't moot yet but it may be by tmrw. If not, we will have something to discuss. I suggest we wait to meet until I hear back from Jonathan Silver with the DOE deal framework. I will then send an email and you can decide if a meeting is necessary.

Please let me know your thoughts.

From: George Kaiser
Sent: Sunday, August 14, 2011 05:59 PM
To: Steve Mitchell; [REDACTED] Fred Dorwart
Subject: RE: current modeling

Are we expecting a term sheet from Gibson Dunn or have you had a conversation with DOE that appears to render that proposal moot?

From: Steve Mitchell
Sent: Thursday, August 11, 2011 11:38 AM
To: [REDACTED] Fred Dorwart
Cc: George Kaiser
Subject: Fw: current modeling

Guys,

I'm forwarding this on but it needs to be corrected. They are re-running this with SMWs shipped in Q4 and Q1 '12 as he feels a bankruptcy will hurt sales more than this projection. The ramp in Q2 and Q3 is based on Wal-Mart volume kicking in at that point. This plans requires cutting 160 people and they are looking to find more to keep the dollars necessary to cash break even around \$75 million. I will send an updated file but I know [REDACTED] is getting on a plane at some point and wanted to get this in his hands.

Meeting with DOE right now. Will update you as things develop.

Steve

From: Bill Stover [REDACTED]
Sent: Thursday, August 11, 2011 09:52 AM
To: Nwachuku, Frances [REDACTED]

Cc: Brian Harrison [REDACTED]; Steve Mitchell; [REDACTED]
Subject: current modeling

Frances,

I've attached an Excel file for your team's review. Argonaut does not yet have this package and our team is reviewing it overnight as well. When we gather, we can walk through the fundamental elements that are different from the 2011 Plan.

See you soon.

W. G. "Bill" Stover, Jr.

SVP Chief Financial Officer



Footnote 771

To: [REDACTED] Fred Dorwart; [REDACTED]
Cc: George Kaiser
From: Steve Mitchell
Sent: Thur 8/18/2011 1:19:05 AM
Subject: Re: Re: Solyndra restructuring

Sorry hit send to quickly. Anyway - the DOE was back pedaling from their offer and offering up essentially all points up to negotiation. I insisted it was not just about the deal but that we are failing to build confidence around the company's revised plan.

George - I received a heads up call from a friend in the industry who was asked to call you regarding the company. The contention was that I was not letting the DOE speak with you. Somewhat silly as they have your contact information. Either way - please don't be surprised if you receive a call or two. I do think it is a relevant point that you have never had a conversation regarding Solyndra with the DOE or the administration.

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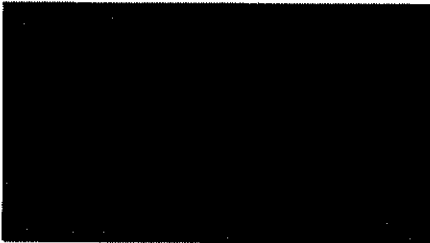
From: [REDACTED]
Sent: Wednesday, August 17, 2011 02:58 PM
To: Fred Dorwart; Steve Mitchell; [REDACTED]
Cc: George Kaiser
Subject: Re: Solyndra restructuring

None here.



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Sent: Wednesday, August 17, 2011 02:55 PM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED] George Kaiser; Fred Dorwart
Subject: RE: Solyndra restructuring

I think we are all agreed we are done. Any dissents?

Frederic Dorwart
[REDACTED]




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From: Steve Mitchell 
Sent: Wednesday, August 17, 2011 2:55 PM
To: Robert Thomas
Cc: Dorwart, Fred;  George Kaiser
Subject: RE: Solyndra restructuring

I think any filing will create such a short term negative with the business (said another way a filing with kill all of the positive momentum we have generated over the past 6 months). So beyond the legal implications of achieving a better structure in a bankruptcy reorganization – I believe a \$75 to \$100 million funding need potentially becomes a \$200 million funding need as revenues disappear over the next 6 to 9 months as a result of the bankruptcy.

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To: Steve Mitchell
Cc: Fred Dorwart; [REDACTED] George Kaiser
Subject: Re: Solyndra restructuring

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than that first \$75 million) and this structure does not adequately compensate the new investors for writing a \$100 million check (it is behind \$150 million as it was in our proposal, however, by requiring 40% of Solyndra's equity the DOE is setting a value on the debt forgiveness which will likely require 18% to convert the Tranche E – the Tranche A will also require some compensation for giving up its senior secured position (use 10% as a strawman) and the A/R and Inventory facilities will require some compensation for continued participation (use 5% as a strawman) this only leaves 27% for the new investment of \$100 million.

The company hopes that if we turn down the DOE's proposal that the DOE will ultimately accept our original proposal. I have communicated to management that we are not prepared to underwrite the current business plan and will not be moving forward. Although management is preparing for a wind down of operations this Friday and a Chapter 11 filing next week, management is still holding out hope that we are positioning to get the best deal possible with the DOE. I have told them this is not the case.

We are working with management to have an orderly liquidation and to hopefully have enough capital remaining in the business to effect such an outcome without the need to put any additional dollars up to keep this out of a chapter 7 situation (we have several avenues for funding that don't require a fight with the DOE over a priming dip loan – the best avenue is funding into Tranche A prior to the filing). We are also doing everything we need to do to collect the A/R on our own should that need arise (which it would in a chapter 7 situation in which a trustee is appointed) and we are working to move our inventory off site into our own warehouse as well.

My recommendation is that we not accept the DOE's proposal and that we continue to prepare for the outcome of an orderly liquidation.

Please advise if you are in agreement with this recommendation or if you have any questions or comments. Obviously we can meet to discuss at anytime as well.

Steve

Footnote 772

Microsoft Outlook

From: Mary.Miller [REDACTED]
Sent: Friday, August 12, 2011 3:22 PM
To: Brandon.Hurlbut [REDACTED]
Cc: Zients, Jeffrey D.
Subject: Solyndra

I understand there may be a briefing around this company's prospects early next week. Please make sure that Treasury is involved in that discussion. Thanks

Mary J. Miller
Assistant Secretary for Financial Markets
[REDACTED]

SOL000008

Footnote 773

Microsoft Outlook

From: Zients, Jeffrey D.
Sent: Tuesday, August 16, 2011 6:58 PM
To: [REDACTED]
Subject: RE: Solyndra Discussions

Trying you back.

From: [REDACTED]
Sent: Tuesday, August 16, 2011 6:54 PM
To: Zients, Jeffrey D.
Subject: Fw: Solyndra Discussions

Jeff, was calling you re this.

From: Miller, Mary
Sent: Tuesday, August 16, 2011 06:44 PM
To: 'Daniel Poneman'; [REDACTED]
Cc: [REDACTED]
Subject: Solyndra Discussions

I just heard from [REDACTED] that you are in Brazil, so rather than try to call you I thought I would try an e-mail. We are hearing increasingly dire news about Solyndra and have asked DOE for information on this with no response. I do not believe that a restructuring of the loan guarantee terms can occur without Treasury consultation. Any assistance you can provide with your staff would be much appreciated. Thanks

Mary J. Miller
Assistant Secretary for Financial Markets
[REDACTED]

Footnote 774

[REDACTED]

From: Zients, Jeffrey D. [REDACTED]
Sent: Wednesday, August 17, 2011 8:57 AM
To: Miller, Mary
Cc: [REDACTED]
Subject: RE: Solyndra

Thanks Mary.
JZ

From: Mary Miller [REDACTED]
Sent: Wednesday, August 17, 2011 8:24 AM
To: Zients, Jeffrey D. [REDACTED]
Cc: [REDACTED]
Subject: Solyndra

Jeff – prior to our call today I wanted to clarify an important point. Since July of 2010 Treasury has asked DOE for briefings on Solyndra's financial condition and any restructuring of terms. The only information we have received about this has been through OMB, as DOE has not responded to any requests for information about Solyndra. Our legal counsel believes that the statute and the DOE regulations both require that the guaranteed loan should not be subordinate to any loan or other debt obligation. The DOE regulations also state that DOE shall consult with OMB and Treasury before any "deviation" is granted from the financial terms of the Loan Guarantee Agreement. In February we requested in writing that DOE seek the Department of Justice's approval of any proposed restructuring. To our knowledge that has never happened.

While I expect that DOE has a view about why loan subordination can occur without DOJ approval or Treasury consultation, I wanted to correct any impression that we have acquiesced in the steps to date. We are studying the materials for the call later today. Thanks for your assistance.

Mary J. Miller
Assistant Secretary for Financial Markets
[REDACTED]

000002

Footnote 777, 778

Microsoft Outlook

From: [REDACTED]
Sent: Tuesday, August 16, 2011 10:01 PM
To: Zients, Jeffrey D.; Ericsson, Sally C.; Bloom, Ron; 'Mary.Miller [REDACTED]'; Zichal, Heather R.
Cc: Hurlbut, Brandon; Silver, Jonathan; Poneman, Daniel; Levy, Jonathan
Subject: Materials for tomorrow's 9:30 briefing
Attachments: Illustrative Proposal_DRAFT.pptx

All – per your request, attached please find Lazard/DOE's preparatory materials for the Solyndra discussion tomorrow morning, including historical financials, current status, a comparison of the original deal terms to the current restructured deal terms, projected financials, and a draft restructuring proposal.

An invitation with dial-in information will follow. If you have any questions, please don't hesitate to contact me at your convenience.

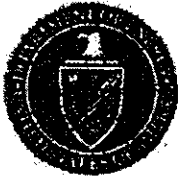
Best,

[REDACTED]

[REDACTED]
Director, Strategic Initiatives
Loan Programs Office
U.S. Department of Energy
[REDACTED]

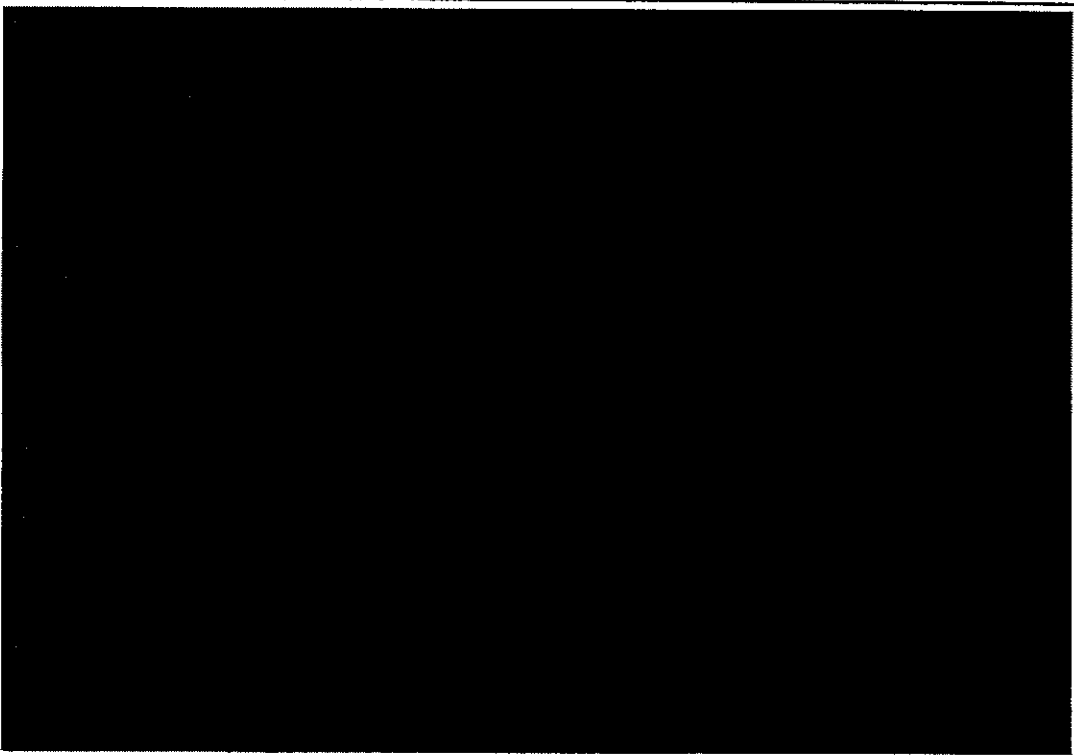
CONFIDENTIAL | 17 AUGUST 2011 |

DISCUSSION MATERIALS



SOL0001491

Preliminary and Draft
Subject to Applicable Confidentiality Agreements and FRE 408



June 2009

Situation Overview

- Solyndra LLC ("Solyndra", or the "Company") designs and manufactures solar photovoltaic (PV) systems for the commercial rooftop market
 - Using innovative cylindrical modules and thin film Copper-Indium-Gallium-Selenium (CIGS) technology, Solyndra products are designed to provide a low levelized cost of electricity and high kilowatt hour production per rooftop
 - Solyndra's unique system offers fast and easy installation, a non-penetrating mounting system, and superior wind, snow and soiling performance
- The Company constructed a 300MW per year manufacturing facility in part with Department of Energy ("DOE") loan guarantee proceeds. The facility was sized in expectation of rapid adoption of its product based on an expanding solar market and the strength of the Company's unique technology
 - While Solyndra has experienced substantial revenue growth and attracted over \$1.1 billion of private capital, its results have fallen short of plan. The Company has been negatively impacted by an increasingly competitive solar market and a challenging overall economic environment resulting in unanticipated price declines and lower than expected sales volumes. Simply stated, the Company has not reached sales levels necessary to reach break-even profitability or free cash flow
- Today, the Company is operating under constrained liquidity and will need an infusion of cash immediately in order to remain viable
 - Previous attempts to raise capital in the public markets, including an attempted IPO in 2009, did not prove successful due to the difficult solar market conditions and the Company's already highly levered balance sheet. The Company has raised significant capital in a series of private offerings but faced with constrained liquidity and significant debt, its sponsors are no longer willing to provide additional capital absent a comprehensive restructuring of the Company's debt obligations
- The DOE has been in discussions with the Company and certain of its sponsors to provide incremental capital with a goal to allow the Company the opportunity to reach break-even cash flow during 2012. The sponsors are unwilling to do so absent a comprehensive restructuring transaction which deleverages the business significantly

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Situation Overview (cont'd)

- Consequently, Lazard has developed a restructuring proposal in an effort to provide the Company the runway to attempt to reach breakeven cash flow. The proposal is based on the following:
 - Company to commit to a cost rationalization program
 - While the restructuring proposal contemplates a substantial conversion of DOE guaranteed debt to equity, the conversion is designed to occur contemporaneously with new capital funding in order to maintain a portion of the DOE's debt claims until all new amounts committed have been funded
 - \$150 million of DOE guaranteed debt to remain in place, of which \$75 million will receive an improved structural position
 - Additionally, DOE to receive out of the money warrants designed to return par plus accrued interest on the initial loan amount based on a turnaround of the business
 - Other junior debt will also be converted to equity along the same schedule as the DOE
 - Current common and preferred equity holders will receive no recovery
 - Other key terms include the reconstitution of the board of directors, and the retention of an independent Chief Restructuring Officer to review and evaluate the business plan
- Absent new funding in the near-term, the Company will be forced to begin an orderly wind-down of the business, which in Lazard's best judgment, will likely result in little recovery to the DOE

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30 SEPTEMBER 2009

DOE Loan Comparison

Terms	Original Offer	Senior Debt	DOE Sub Debt	Investor Sub Debt
Date	Sep 2009	Feb 2011		
Amount	\$535 mm	A: \$75 mm (Inv) B: \$150 mm (DOE) C: \$75 mm (Inv)	\$385 mm	\$175 mm (existing convertible debt)
Tenor	7 years	6 years (A, B, C)	12 years	15 years
Principal payments	17 quarters beginning 5/2012	16 quarters beginning 3/2013 (A, B, C)	24 quarters beginning 3/2017	36 quarters beginning 3/2017
Final maturity	8/2016	12/2016	12/2022	12/2025
Expected maturity	8/2016	Q4 2015	Q3 2017	Q3 2017
PIK interest period	None	Through 12/2012	Through 12/2014	Through 12/2015
Mandatory Prepayment	Usual and customary, plus partial sweep under certain conditions	Usual and customary, plus 60% of free cash swept quarterly, plus remaining balance once total balances in certain accounts exceed 125% of outstanding balance. No dividends or use of cash outside the project permitted.		
Optional Prepayment	Original principal and accrued interest	Original principal and accrued interest		
Payment Event of Default	Acceleration of outstanding principal and accrued interest	All future accretions brought forward if uncured payment default		
Collateral available to DOE	Fab2 building, land, equipment, leasehold interests and license for Solyndra IP up to the production output of Fab 2	All company building and land, equipment, leasehold interests, IP, Fab 1 and associated equipment, supply, sales, and other operating agreements and transfer of all Solyndra, Inc. assets to Fab 2 LLC		

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Some Copying permitted.

Illustrative Restructuring Proposal

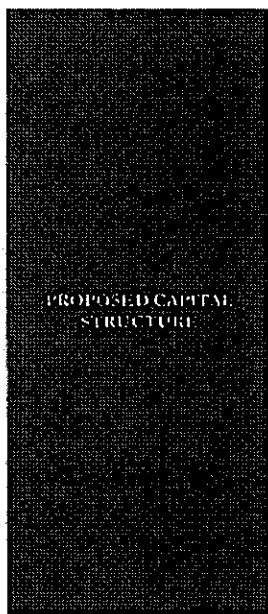
The DOE has developed a restructuring proposal premised on the following key restructuring principles:

KEY RESTRUCTURING PRINCIPLES

- Solyndra is experiencing a significant liquidity crisis and has embarked on a restructuring plan premised on cost reduction, new money investment, and conversion of debt to equity
- Argonaut, the Company, and DOE aim to agree on an approach to allow the Company the opportunity to reach cash flow break-even during 2012
- Argonaut/investors to provide sufficient investment to take Company to cash flow breakeven and agree to fund balance of AR / Inventory facility on an approved schedule
- DOE to agree to a conversion of debt to equity subject to certain key conditions:
 - \$75 million of DOE Tranche B loan to become pari passu with \$75 million of Tranche A loan in all respects (including in a liquidation scenario) and share same economic terms
 - Debt to equity conversion to occur concurrent with Argonaut/investors funding of new money and commitment of balance of AR / Inventory facility
- All existing preferred equity, common equity and warrants cancelled as part of restructuring
- Independent Chief Restructuring Officer ("CRO") to be appointed and agreed by Argonaut, Independent Board members and DOE within 45 days of closing of restructuring. CRO to report to Independent committee of the Board and responsibilities to include review and validation of operating plan, among other agreed scope of duties
- Incremental outside equity investment to be explored as well as deeper cost measures evaluated given risks to financial plan and challenging operating environment
- Board to be reconstituted consistent with restructured equity ownership
- Resetting of management equity option plan

Illustrative Restructuring Proposal (cont'd)

The restructuring proposal results in a significant deleveraging of the Company and new equity sponsorship. Under this proposal, all existing preferred equity, common equity and warrants would be cancelled



- New investment of \$100 million plus commitment of balance of A/R and Inventory facility
- Maintain existing Tranche A at \$75 million
- \$75 million of existing Tranche B debt to remain and become pari passu to Tranche A debt in all respects and share same economic terms
- Convert \$75 million of existing Tranche B debt into New Tranche D; subordinated to Tranches A, B, and new Tranche C debt
- Sponsors to fund new \$100 million Tranche C debt; subordinated to Tranches A and B and senior to New Tranche D
- Existing Tranche D (\$385 million) to convert to equity in exchange for 40% of the common equity of the restructured company. Debt conversion shall be concurrent with and at the same percentage funding as the \$100 million Tranche C facility (if 25% of the \$100 million of the Tranche C is funded then 25% of the \$385 million in Tranche D will convert to equity for 10% of the common equity)
- DOE would agree to convert 100% of its Tranche D debt for 35% of the common equity of the restructured company if \$100 million in Tranche C debt is funded at closing
- Tranche D to receive out of the money warrants designed to return par plus accrued in upside valuation scenarios
- DOE equity subject to repurchase at par plus accrued value of converted debt claim by Company at any time
- Tranche E lenders would convert to equity through similar mechanism as Tranche D lenders and receive equity in an amount to be determined in negotiation with investors
- Tranche C investors would receive 60%/65% of the equity before allocation of equity to Tranche E lenders and proposed new management equity plan

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Illustrative Restructuring Proposal (cont'd)

OTHER KEY TERMS	<ul style="list-style-type: none">■ Reconstitute board of directors to reflect new equity ownership. Sponsors to appoint 3 members, DOE to appoint 2 independent directors, and all equity to agree on 2 additional independent directors■ Retention of an independent Chief Restructuring Officer to be agreed by Argonaut, Independent Board members and DOE within 45 days of closing of restructuring. CRO to report to independent committee of the Board and responsibilities to include review and validation of operating plan, among other agreed scope of duties■ New board to retain an independent investment bank to consider new third party debt and equity financing alternatives as well as broader strategic options■ Drag, tag and other equity issues to be considered to protect DOE equity position given inability to invest new equity in future funding rounds
IMPLEMENTATION	<ul style="list-style-type: none">■ Ability to execute restructuring on an out-of-court basis subject to further investigation and discussion with counsel

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Illustrative Restructuring Proposal (cont'd)
(in millions)

CAPITALIZATION WALK						
	Current	Close	Funding Step 1 (\$30 mm Tranche C)	Funding Step 2 (\$45 mm Tranche C)	Funding Step 3 (\$25 mm Tranche C)	Illustrative Rates
Tranche A	\$75.0	\$75.0	\$75.0	\$75.0	\$75.0	L+600
Tranche B	150.0	75.0	75.0	75.0	75.0	L+600
Tranche C	0.0	0.0	30.0	75.0	100.0	L+800
New Tranche D	0.0	75.0	75.0	75.0	75.0	L+1,000
Tranche D	385.0	385.0	269.5	96.3	0.0	
Tranche E	190.0	190.0	133.0	47.5	0.0	
Total Debt	\$800.0	\$800.0	\$667.5	\$443.8	\$328.0	
Equity Ownership (a)						
Total "Investors"	80.0%	100.0%	88.0%	70.0%	60.0%	
Management	20.0%	0.0%	0.0%	0.0%	0.0%	
Department of Energy		0.0%	12.0%	30.0%	40.0%	
New Management Plan		TBD	TBD	TBD	TBD	
Total Equity Ownership %	100.0%	100.0%	100.0%	100.0%	100.0%	

Note: Tranche E consideration to be provided out of "investor" equity stake

(a) Shows unaltered by any management incentive plan.

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Illustrative Restructuring Proposal (cont'd)

(\$ in millions)

RECOVERY CALCULATIONS				
DOE Receives 40% Equity				
DOE Recovery (\$535 mm of existing obligations)	16.9%	42.6%	61.3%	80.0%
DOE Recovery (\$150 mm of Tranche B obligations)	60.4%	151.8%	218.5%	285.2%
DOE Receives 35% Equity				
DOE Recovery (\$535 mm of existing obligations)	16.9%	41.7%	58.1%	74.4%
DOE Recovery (\$150 mm of Tranche B obligations)	60.4%	148.8%	207.2%	265.5%

Note: Reflects 3 year exit horizon. Recoveries are shown prior to warrants that may be in-the-money in upside valuation scenarios.

Footnote 779-783

To: Fred Dorwart; [REDACTED]
Cc: [REDACTED]; George Kaiser
From: Steve Mitchell
Sent: Thur 8/18/2011 3:32:59 PM
Subject: RE: RE: Solyndra restructuring

I wanted to send one last email to reiterate that we are focused on the path of winding down the company. I have made it very clear that we are currently unable to underwrite the plan and it is not our intention to fund the business. I get the feeling that DOE still thinks we are playing some level of brinksmanship which I have assured them we are not. I would like to be stronger in my assertions that we are definitively not providing operating capital for Solyndra. It is my belief that the DOE will attempt to go back to our original strawman proposal from last week and push us to provide incremental capital subject to milestones (as we had originally proposed).

I have not heard back from everyone definitively that we should be absolutely certain in our communication with the DOE. If we are unanimously certain that we will not fund Solyndra to continue operations I would like to communicate this definitively to the DOE and the company.

Please advise if I should not communicate more clearly our position to the DOE – which is that we will not fund the revised business plan which requires \$75 to \$100 million,

Steve

From: Fred Dorwart
Sent: Wednesday, August 17, 2011 2:55 PM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED]; George Kaiser; Fred Dorwart
Subject: RE: Solyndra restructuring

I think we are all agreed we are done. Any dissents?

Frederic Dorwart
[REDACTED]

[REDACTED]

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you are not the original addressee of this communication, you should seek advice based on your particular circumstances from an independent advisor.

From: Steve Mitchell [REDACTED]
Sent: Wednesday, August 17, 2011 2:55 PM
To: [REDACTED]
Cc: Dorwart, Fred; [REDACTED]; George Kaiser
Subject: RE: Solyndra restructuring

I think any filing will create such a short term negative with the business (said another way a filing with kill all of the positive momentum we have generated over the past 6 months). So beyond the legal implications of achieving a better structure in a bankruptcy reorganization – I believe a \$75 to \$100 million funding need potentially becomes a \$200 million funding need as revenues disappear over the next 6 to 9 months as a result of the bankruptcy.

The DOE has called back and is essentially negotiating against themselves to see what it is we would do. Apparently they have heard from the company that we continue to make preparations for the wind down. I'm not suggesting we counter their proposal – since I'm not confident anyone would even support the proposal we made to the DOE last week. I do want to be transparent with the discussions however.

[REDACTED] and I just wrapped up a call with Brian Harrison regarding the business plan. He still fears the macro situation in the solar market. He's hearing that there are as much as 5 to 7 gigawatts of excess inventory in the pipeline. This is 5 to 6 months of inventory which could cause pricing to be even worse.

My recommendation remains the same.

From: [REDACTED]
Sent: Wednesday, August 17, 2011 2:43 PM
To: Steve Mitchell
Cc: Fred Dorwart; [REDACTED] George Kaiser
Subject: Re: Solyndra restructuring

Besides the fact we aren't on board with the management plan - this is not a good deal on it's face.

Too much leverage, too little compensation for the risk, too much DOE involvement, and a probable additional restructuring in six to twelve months to further reduce the debt balance.

I do not want to do this deal.

What's the chance in chapter 11 we can craft a much better deal?

On Aug 17, 2011, at 2:34 PM, "Steve Mitchell" <[REDACTED]> wrote:

Guys,

We did finally hear back from the DOE. This was supposed to happen on Sunday afternoon but the discussion kept getting pushed off. The DOE did brief the OMB and White House on this proposal. Making this proposal to us was approved BUT closing on this proposal is still not approved. I will detail the proposal below but I want to point out the two fundamental flaws with this outline: first: the proposal undervalues the security that the Tranche A currently has (which is senior secured and, we believe, in the money in a liquidation scenario) and second: the proposal does not provide sufficient upside for the new invested capital in a positive outcome.

The DOE's proposal is as follows:

- Tranche A is increased to \$150 million that is senior secured. This new Tranche A would be made up of our current Tranche A loan and \$75 million of the DOE's capital that is currently in Tranche B. The new Tranche A \$150 million would be pari passu in a liquidation scenario. Assuming the low end of the security value is correct (\$70 to \$170 million) then our current Tranche A is significantly impaired.
- New capital of \$100 million is either committed or funded into the company. This new capital would be funded into the company as debt junior to the new Tranche A of \$150 million.
- The remaining \$75 million of the DOE's current Tranche B would be moved down the capital structure to be junior to the new Tranche A of \$150 million and the new capital of \$100 million.
- The DOE's Tranche D of \$385 million of capital would be converted into 35% to 40% of equity in Solyndra. The DOE would only receive 35% if the \$100 million is funded up-front. If the \$100 million is subject to milestones and funded over time then the DOE would receive 40% of the company and the conversion would occur on a pro-rata basis as the \$100 million was funded (i.e. for every \$1 million of new capital invested \$3.85 million of Tranche D debt would convert into .4% of Solyndra).
- Tranche E would go away – presumably it would be converted to equity. This would require new investors to negotiate a deal with the Tranche E equity to convert – the Tranche D is parri pasu (for the most part) so the Tranche E investors would have a strong argument that they should receive pro rata what the Tranche D did for its conversion (\$385 million into 40% so \$175 million gets approximately 18%).
- Current Tranche A & B would continue to fund the final \$15 million upon meeting the remaining milestones.
- The DOE would want 2 board seats and would require the company to hire a Chief Restructuring Officer.

Assuming that we were comfortable underwriting the business plan – which I believe we are not and I have continued to communicate that to the DOE and the company – I do not think this is a structure that adequately addresses the company's overweight balance sheet (i.e. \$325 million of debt is still too much for Solyndra); I don't think the Tranche A restructuring makes sense in light of our current belief that our current Tranche A (\$75 million) is covered in a liquidation scenario (and our belief that there is not substantially greater coverage than that first \$75 million) and this structure does not adequately compensate the

new investors for writing a \$100 million check (it is behind \$150 million as it was in our proposal, however, by requiring 40% of Solyndra's equity the DOE is setting a value on the debt forgiveness which will likely require 18% to convert the Tranche E – the Tranche A will also require some compensation for giving up its senior secured position (use 10% as a strawman) and the A/R and Inventory facilities will require some compensation for continued participation (use 5% as a strawman) this only leaves 27% for the new investment of \$100 million.

The company hopes that if we turn down the DOE's proposal that the DOE will ultimately accept our original proposal. I have communicated to management that we are not prepared to underwrite the current business plan and will not be moving forward. Although management is preparing for a wind down of operations this Friday and a Chapter 11 filing next week, management is still holding out hope that we are positioning to get the best deal possible with the DOE. I have told them this is not the case.

We are working with management to have an orderly liquidation and to hopefully have enough capital remaining in the business to effect such an outcome without the need to put any additional dollars up to keep this out of a chapter 7 situation (we have several avenues for funding that don't require a fight with the DOE over a priming dip loan – the best avenue is funding into Tranche A prior to the filing). We are also doing everything we need to do to collect the A/R on our own should that need arise (which it would in a chapter 7 situation in which a trustee is appointed) and we are working to move our inventory off site into our own warehouse as well.

My recommendation is that we not accept the DOE's proposal and that we continue to prepare for the outcome of an orderly liquidation.

Please advise if you are in agreement with this recommendation or if you have any questions or comments. Obviously we can meet to discuss at anytime as well.

Steve

Footnote 784

Microsoft Outlook

From: Ericsson, Sally C.
Sent: Wednesday, August 17, 2011 5:54 PM
To: Zients, Jeffrey D.
Subject: RE: update on solyndra

Thanks. I'll send to our comms folks.

From: Zients, Jeffrey D.
Sent: Wednesday, August 17, 2011 5:52 PM
To: 'Mary.Miller'; Mertens, Richard A.; Ericsson, Sally C.; Colyar, Kelly T.; Carroll, J. Kevin
Subject: Fw: update on solyndra

From: Utech, Dan G.
To: Bloom, Ron; Zients, Jeffrey D.; Zichal, Heather R.; Miller, Jason; Stevens, Clark; Papa, Jim; Fisher, Alyssa; Siskel, Edward
Sent: Wed Aug 17 17:47:35 2011
Subject: update on solyndra

Brandon called to let me know that in the initial conversations today with Solyndra's investors, they were not interested in the straw proposal. DOE will be trying to have an additional conversation tonight, but they're not expecting a different outcome, as DOE has learned that the company has begun shut down planning. It's unclear what that means in terms of how many people are involved at Solyndra, but we're now in a place where this could break at any time. DOE communications will be reaching out to WH comms shortly to coordinate.

Footnote 785

Microsoft Outlook

From: Zients, Jeffrey D.
Sent: Thursday, August 18, 2011 6:53 AM
To: Lew, Jack
Subject: Fw: update on solyndra

Jack see below Solyndra update from DOE COS via Zichal's team.
JZ

From: Zients, Jeffrey D.
To: 'Mary Miller'; [REDACTED] Mertens, Richard A.; Ericsson, Sally C.; Colvar, Kelly T.; Carroll, J. Kevin
Sent: Wed Aug 17 17:51:58 2011
Subject: Fw: update on solyndra

From: Utech, Dan G.
To: Bloom, Ron; Zients, Jeffrey D.; Zichal, Heather R.; Miller, Jason; Stevens, Clark; Papa, Jim; Fisher, Alyssa; Siskel, Edward
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Footnote 786, 787

Microsoft Outlook

From: Pfeiffer, Dan
Sent: Wednesday, August 17, 2011 6:27 PM
To: Cutter, Stephanie; Plouffe, David
Subject: RE: update on: solyndra

And there is an additional complication I will explain tomorrow

From: Cutter, Stephanie
Sent: Wednesday, August 17, 2011 6:01 PM
To: Pfeiffer, Dan; Plouffe, David
Subject: Re: update on solyndra

Ugh

From: Pfeiffer, Dan
To: Plouffe, David; Cutter, Stephanie
Sent: Wed Aug 17 17:55:32 2011
Subject: FW: update on solyndra

This is going to be a real pain, solyndra is about to go under apparently

From: Stevens, Clark
Sent: Wednesday, August 17, 2011 5:52 PM
To: Pfeiffer, Dan; Zichal, Heather R.; Schultz, Eric; Earnest, Joshua R.
Subject: FW: update on solyndra

FYI.

From: Utech, Dan G.
Sent: Wednesday, August 17, 2011 5:48 PM
To: Bloom, Ron; Zients, Jeffrey D.; Zichal, Heather R.; Miller, Jason; Stevens, Clark; Papa, Jim; Fisher, Alyssa; Siskel, Edward
Subject: update on solyndra

Brandon called to let me know that in the initial conversations today with Solyndra's investors, they were not interested in the straw proposal. DOE will be trying to have an additional conversation tonight, but they're not expecting a different outcome, as DOE has learned that the company has begun shut down planning. It's unclear what that means in terms of how many people are involved at Solyndra, but we're now in a place where this could break at any time. DOE communications will be reaching out to WH contacts shortly to coordinate.

Footnote 788

Microsoft Outlook

From: Updegrove, Laura
Sent: Thursday, August 18, 2011 4:29 PM
To: DeParle, Nancy-Ann
Subject: Brandon Hurlbut from Dept. of Energy called about Solyndra

The Chief of Staff at Department of Energy Brandon Hurlbut called to give you an update on Solyndra. He said Heather Zichal and Chris Lu were going to send around an email tonight and he called to say if you want any more info he is happy to walk you through everything tonight. He can be reached in the office at [REDACTED] or on his cell at [REDACTED]

LAURA UPDEGROVE | THE WHITE HOUSE | [REDACTED]

Footnote 789

To: [REDACTED]; Fred Dorwart; [REDACTED]
Cc: George Kaiser
From: Steve Mitchell
Sent: Thur 8/18/2011 1:19:05 AM
Subject: Re: Re: Solyndra restructuring

Sorry hit send to quickly. Anyway - the DOE was back pedaling from their offer and offering up essentially all points up to negotiation. I insisted it was not just about the deal but that we are failing to build confidence around the company's revised plan.

George - I received a heads up call from a friend in the industry who was asked to call you regarding the company. The contention was that I was not letting the DOE speak with you. Somewhat silly as they have your contact information. Either way - please don't be surprised if you receive a call or two. I do think it is a relevant point that you have never had a conversation regarding Solyndra with the DOE or the administration.

From: Steve Mitchell
Sent: Wednesday, August 17, 2011 08:13 PM
To: [REDACTED] Fred Dorwart; [REDACTED]
Cc: George Kaiser
Subject: Re: Solyndra restructuring

I talked further with the DOE later this afternoon to continue to communicate that they need to prepare for the company to wind down

From: [REDACTED]
Sent: Wednesday, August 17, 2011 02:58 PM
To: Fred Dorwart; Steve Mitchell; [REDACTED]
Cc: George Kaiser
Subject: Re: Solyndra restructuring

None here.

From: Fred Dorwart
Sent: Wednesday, August 17, 2011 02:55 PM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED] George Kaiser; Fred Dorwart
Subject: RE: Solyndra restructuring

I think we are all agreed we are done. Any dissents?

Frederic Dorwart
[REDACTED]



To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you are not the original addressee of this communication, you should seek advice based on your particular circumstances from an independent advisor.

From: Steve Mitchell [REDACTED]
Sent: Wednesday, August 17, 2011 2:55 PM
To: [REDACTED]
Cc: Dorwart, Fred; [REDACTED] George Kaiser
Subject: RE: Solyndra restructuring

I think any filing will create such a short term negative with the business (said another way a filing with kill all of the positive momentum we have generated over the past 6 months). So beyond the legal implications of achieving a better structure in a bankruptcy reorganization – I believe a \$75 to \$100 million funding need potentially becomes a \$200 million funding need as revenues disappear over the next 6 to 9 months as a result of the bankruptcy.

The DOE has called back and is essentially negotiating against themselves to see what it is we would do. Apparently they have heard from the company that we continue to make preparations for the wind down. I'm not suggesting we counter their proposal – since I'm not confident anyone would even support the proposal we made to the DOE last week. I do want to be transparent with the discussions however.

[REDACTED] and I just wrapped up a call with Brian Harrison regarding the business plan. He still fears the macro situation in the solar market. He's hearing that there are as much as 5 to 7 gigawatts of excess inventory in the pipeline. This is 5 to 6 months of inventory which could cause pricing to be even worse.

My recommendation remains the same.

From: [REDACTED]
Sent: Wednesday, August 17, 2011 2:43 PM
To: Steve Mitchell
Cc: Fred Dorwart; [REDACTED] George Kaiser
Subject: Re: Solyndra restructuring

Besides the fact we aren't on board with the management plan - this is not a good deal on it's face.

Too much leverage, too little compensation for the risk, too much DOE involvement, and a probable additional restructuring in six to twelve months to further reduce the debt balance.

I do not want to do this deal.

What's the chance in chapter 11 we can craft a much better deal?

On Aug 17, 2011, at 2:34 PM, "Steve Mitchell" [REDACTED] wrote:

Guys,

We did finally hear back from the DOE. This was supposed to happen on Sunday afternoon but the discussion kept getting pushed off. The DOE did brief the OMB and White House on this proposal. Making this proposal to us was approved BUT closing on this proposal is still not approved. I will detail the proposal below but I want to point out the two fundamental flaws with this outline: first: the proposal undervalues the security that the Tranche A currently has (which is senior secured and, we believe, in the money in a liquidation scenario) and second: the proposal does not provide sufficient upside for the new invested capital in a positive outcome.

The DOE's proposal is as follows:

- Tranche A is increased to \$150 million that is senior secured. This new Tranche A would be made up of our current Tranche A loan and \$75 million of the DOE's capital that is currently in Tranche B. The new Tranche A \$150 million would be pari passu in a liquidation scenario. Assuming the low end of the security value is correct (\$70 to \$170 million) then our current Tranche A is significantly impaired.
- New capital of \$100 million is either committed or funded into the company. This new capital would be funded into the company as debt junior to the new Tranche A of \$150 million.
- The remaining \$75 million of the DOE's current Tranche B would be moved down the capital structure to be junior to the new Tranche A of \$150 million and the new capital of \$100 million.
- The DOE's Tranche D of \$385 million of capital would be converted into 35% to 40% of equity in Solyndra. The DOE would only receive 35% if the \$100 million is funded up-front. If the \$100 million is subject to milestones and funded over time then the DOE would receive 40% of the company and the conversion would occur on a pro-rata basis as the \$100 million was funded (i.e. for every \$1 million of new capital invested \$3.85 million of Tranche D debt would convert into .4% of Solyndra).
- Tranche E would go away – presumably it would be converted to equity. This would require new investors to negotiate a deal with the Tranche E equity to convert – the Tranche D is parri pasu (for the most part) so the Tranche E investors would have a strong argument that they should receive pro rata what the Tranche D did for its conversion (\$385 million into 40% so \$175 million gets approximately 18%).
- Current Tranche A & B would continue to fund the final \$15 million upon meeting the remaining milestones.
- The DOE would want 2 board seats and would require the company to hire a Chief Restructuring Officer.

Assuming that we were comfortable underwriting the business plan – which I believe we are not and I have continued to communicate that to the DOE and the company – I do not think this is a structure that adequately addresses the company's overweight balance sheet (i.e. \$325 million of debt is still too much for Solyndra); I don't think the Tranche A restructuring makes sense in light of our current belief that our current Tranche A (\$75 million) is covered in a liquidation scenario (and our belief that there is not substantially greater coverage

than that first \$75 million) and this structure does not adequately compensate the new investors for writing a \$100 million check (it is behind \$150 million as it was in our proposal, however, by requiring 40% of Solyndra's equity the DOE is setting a value on the debt forgiveness which will likely require 18% to convert the Tranche E – the Tranche A will also require some compensation for giving up its senior secured position (use 10% as a strawman) and the A/R and Inventory facilities will require some compensation for continued participation (use 5% as a strawman) this only leaves 27% for the new investment of \$100 million.

The company hopes that if we turn down the DOE's proposal that the DOE will ultimately accept our original proposal. I have communicated to management that we are not prepared to underwrite the current business plan and will not be moving forward. Although management is preparing for a wind down of operations this Friday and a Chapter 11 filing next week, management is still holding out hope that we are positioning to get the best deal possible with the DOE. I have told them this is not the case.

We are working with management to have an orderly liquidation and to hopefully have enough capital remaining in the business to effect such an outcome without the need to put any additional dollars up to keep this out of a chapter 7 situation (we have several avenues for funding that don't require a fight with the DOE over a priming dip loan – the best avenue is funding into Tranche A prior to the filing). We are also doing everything we need to do to collect the A/R on our own should that need arise (which it would in a chapter 7 situation in which a trustee is appointed) and we are working to move our inventory off site into our own warehouse as well.

My recommendation is that we not accept the DOE's proposal and that we continue to prepare for the outcome of an orderly liquidation.

Please advise if you are in agreement with this recommendation or if you have any questions or comments. Obviously we can meet to discuss at anytime as well.

Steve

Footnote 790, 792

To: Steve Mitchell; Fred Dorwart; [REDACTED]
Cc: [REDACTED]
From: George Kaiser
Sent: Thur 8/18/2011 3:53:45 PM
Subject: RE: RE: Solyndra restructuring

I think we should tell them that GKFF/Argonaut has carefully considered all options and decided they cannot fund the plan. George Kaiser is not the decision maker and believes he should continue his policy of having no communication with the DOE or anyone else in government. It is our understanding that no other equity owner has an appetite for it either. The remaining option is bankruptcy. We will be cooperative with the DOE in attempting to identify and work with anyone who would offer DIP money on acceptable terms in hopes of preserving or resuscitating the company's business. We believe the product is an elegant and successful solution for power on flat roofs but, unfortunately, Chinese loss leader strategies to capture the market are destroying all American-based solar alternatives and we don't see an intermediate term business plan that can work in that environment.

From: Steve Mitchell
Sent: Thursday, August 18, 2011 10:33 AM
To: Fred Dorwart; [REDACTED]
Cc: [REDACTED]; George Kaiser
Subject: RE: Solyndra restructuring

I wanted to send one last email to reiterate that we are focused on the path of winding down the company. I have made it very clear that we are currently unable to underwrite the plan and it is not our intention to fund the business. I get the feeling that DOE still thinks we are playing some level of brinkmanship which I have assured them we are not. I would like to be stronger in my assertions that we are definitively not providing operating capital for Solyndra. It is my belief that the DOE will attempt to go back to our original strawman proposal from last week and push us to provide incremental capital subject to milestones (as we had originally proposed).

I have not heard back from everyone definitively that we should be absolutely certain in our communication with the DOE. If we are unanimously certain that we will not fund Solyndra to continue operations I would like to communicate this definitively to the DOE and the company.

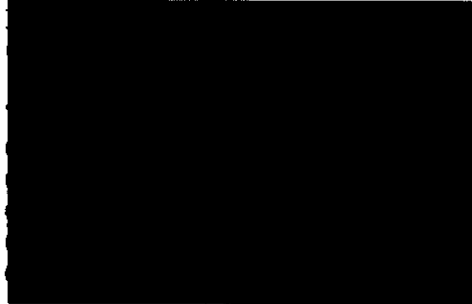
Please advise if I should not communicate more clearly our position to the DOE – which is that we will not fund the revised business plan which requires \$75 to \$100 million,

Steve

From: Fred Dorwart
Sent: Wednesday, August 17, 2011 2:55 PM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED] George Kaiser, Fred Dorwart
Subject: RE: Solyndra restructuring

I think we are all agreed we are done. Any dissents?

Frederic Dorwart



To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you are not the original addressee of this communication, you should seek advice based on your particular circumstances from an independent advisor.

From: Steve Mitchell [REDACTED]
Sent: Wednesday, August 17, 2011 2:55 PM
To: [REDACTED]
Cc: Dorwart, Fred; [REDACTED] George Kaiser
Subject: RE: Solyndra restructuring

I think any filing will create such a short term negative with the business (said another way a filing with kill all of the positive momentum we have generated over the past 6 months). So beyond the legal implications of achieving a better structure in a bankruptcy reorganization – I believe a \$75 to \$100 million funding need potentially becomes a \$200 million funding need as revenues disappear over the

next 6 to 9 months as a result of the bankruptcy.

The DOE has called back and is essentially negotiating against themselves to see what it is we would do. Apparently they have heard from the company that we continue to make preparations for the wind down. I'm not suggesting we counter their proposal – since I'm not confident anyone would even support the proposal we made to the DOE last week. I do want to be transparent with the discussions however.

[REDACTED] and I just wrapped up a call with Brian Harrison regarding the business plan. He still fears the macro situation in the solar market. He's hearing that there are as much as 5 to 7 gigawatts of excess inventory in the pipeline. This is 5 to 6 months of inventory which could cause pricing to be even worse.

My recommendation remains the same.

From: [REDACTED]
Sent: Wednesday, August 17, 2011 2:43 PM
To: Steve Mitchell
Cc: Fred Dorwart; [REDACTED] George Kaiser
Subject: Re: Solyndra restructuring

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My recommendation is that we not accept the DOE's proposal and that we continue to prepare for the outcome of an orderly liquidation.

Please advise if you are in agreement with this recommendation or if you have any questions or comments. Obviously we can meet to discuss at anytime as well.

Steve

Footnote 793, 794

Microsoft Outlook

From: Bhowmik, Rachana
Sent: Thursday, August 18, 2011 6:07 PM
To: DeParle, Nancy-Ann
Cc: Updegrove, Laura
Subject: Fw: solyndra

Fyi-

From: Greenawalt, Andrei
To: Zients, Jeffrey D.; Zichal, Heather R.; Utech, Dan G.; Bloom, Ron; Miller, Jason; Gavin, Tom; Stevens, Clark; Fisher, Alyssa; Samuels, Jonathan D.; Schultz, Eric; Papa, Jim; Siskel, Edward; Bhowmik, Rachana
Sent: Thu Aug 18 18:04:40 2011
Subject: solyndra

Am sure I am missing folks so please add or forward as needed, but Brandon and I were just on phone and he mentioned that as of a few mins ago, investors decided to put forward money to allow the company to continue operating for another week while they try to figure out a path forward.

Footnote 795

Microsoft Outlook

From: Showmik, Rachana
Sent: Thursday, August 18, 2011 5:13 PM
To: Greenawalt, Andrei
Subject: With no solyndra news

Anything for the nightly note?

Footnote 796

Microsoft Outlook

From: Greenawalt, Andrei
Sent: Thursday, August 18, 2011 6:16 PM
To: Bhowmik, Rachana
Subject: Friday

You might just leave Solyndra out but . . .

Solyndra: Earlier today it was looking as if Solyndra Solar, which received a \$535 million loan guarantee from Energy in 2009, might declare bankruptcy as early as tomorrow after having trouble raising the private capital that it needs to continue operations. If this happens at any point, it is unclear that the government would be able to recover any of the \$535 million. Late today, however, investors decided to put forward money to allow the company to continue operating for another week while they try to figure out a path forward. Energy continues coordinate with various White House offices.

Footnote 797

Microsoft Outlook

From: Bhowmik, Rachana
Sent: Thursday, August 18, 2011 6:26 PM
To: Greenawalt, Andrei
Subject: RE: With no solyandra news

I'll omit.

From: Greenawalt, Andrei
Sent: Thursday, August 18, 2011 6:16 PM
To: Bhowmik, Rachana
Subject: RE: With no solyandra news

Just sent! Updated the solyandra entry but think you can leave out

From: Bhowmik, Rachana
Sent: Thursday, August 18, 2011 6:13 PM
To: Greenawalt, Andrei
Subject: With no solyandra news

Anything for the nightly note?

Footnote 800

RE: AMP - Notes from OMB Briefing

From:

To:

Date:

Wed, 18 May 2011 10:10:08 -0400

Attachments:

AMP - OMB Briefing 05112011.docx (22.46 kB); 050611 Amp CC CRB OMB Draft Presentation vs.pptm (1.49 MB)

All -

Not Responsive

Cheers -

-----Original Message-----

From:

Sent: Friday, May 13, 2011 10:05 AM

To:

Subject: AMP - Notes from OMB Briefing

Not Responsive

Many thanks -

Contractor
Loan Guarantee Program

Not Responsive

OMB (K Colvar) then remarked that construction would need to be completed near the end of the expiration of the availability period in order to beat the sunset date for section 1603 cash grants.

Answer: [REDACTED] explained that the project would be built in Phases, and that only Phase 1 (construction of which is expected to commence prior to September 30, 2011, and be completed within several months thereafter), Non Responsive 1

were contemplating applying for the 1603 cash grant option. . Not Responsive

[REDACTED] proceeded with the Presentation and began a discussion of the policy considerations with respect to this transaction, emphasizing the use of US-made panels, particularly in Phase 1, and the target use of US panels thereafter. Not Responsive

Not Responsive

[REDACTED] began the technology portion of the Presentation (as [REDACTED] had been delayed entering the building because of a computer system issue) and discussed how the suppliers and other providers were brought together for Phase 1. He explained that ProLogis went "shopping" for existing, commercial suppliers that could demonstrate diversification with respect to their product both in the location of installations and in the use (between both distributed and utility-scale applications). [REDACTED] entered the room during [REDACTED] description and added that the panel manufacturer would be approved for each phase of the project.

OMB (K Colyar) expressed concern about the selection of Solyndra as manufacturer of the panels for Phase 1.

Answer: [REDACTED] directed OMB to slide 11 of the Presentation which illustrates the commerciality and safeguards in place with respect to the overall project.

Footnote 801

FW: Project Amp

From: [REDACTED]
To: "Frantz, David" [REDACTED] "Richardson, Susan" [REDACTED]
"Barwell, Owen" <owen.barwell@hq.doe.gov>
Date: Tue, 17 May 2011 14:23:48 -0400
Attachments: Project Amp - Discussion Topics - 2011-05-17.docx (20.55 kB)

FYI

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: Tuesday, May 17, 2011 12:51 PM
To: [REDACTED]
Subject: FW: Project Amp

From: Winters, Matthew
Sent: Tuesday, May 17, 2011 12:51:27 PM
To: [REDACTED]
[REDACTED]
Cc: [REDACTED] Silver, Jonathan
Subject: FW: Project Amp
Auto forwarded by a Rule
FYI...

From: Miller, Jason [REDACTED]
Sent: Tuesday, May 17, 2011 12:45 PM
To: Winters, Matthew; Carlson, Jaime
Cc: Colvar, Kelly T.; Carroll, Kevin; [REDACTED]
[REDACTED]
Subject: Project Amp

Matt & Jaime,

Attached are discussion topics and questions for Project Amp. Let's discuss briefly on this afternoon's call - if feasible, it

would be great to set up time on Friday.

Thanks,
JM

**Project Amp
Discussion Topics 5/17/2011**

Topic #1: Deal evolution

- Please describe the project's evolution and the increase in its size, both with respect to how Project Photon and Project Amp became one project, and why there was a \$564 million increase in the requested loan guarantee between the May 12, 2011 portfolio table and the guarantee described in the credit paper. Similarly, why does the independent engineer report describe a 400 MW project size versus 733 MW in the credit paper?

B

Topic #3: Definition of a project and eligibility of all phases for Section 1705 guarantee

- Please share DOE's analysis of why distinct phases to be financed over the coming several years constitute a single project, and why phases to be conceived and developed after September 2011 should be considered to have begun construction prior to September 2011.

1

- **What features of the project's phases differentiate them from what one might consider distinct projects of an individual developer that may nonetheless pursue projects with similar financing and contractual terms (e.g., different [REDACTED] projects in DOE's pipeline)?**
- **This is the first project we are aware of in which all key contracts will not be finalized, or in some cases even drafted, before the USG commits to guarantee debt associated with construction of a facility. What is the basis for DOE's conclusion that it is appropriate in this instance?**

Footnote 802

RE:

From: "Silver, Jonathan" [REDACTED]
To: "Hurlbut, Brandon" [REDACTED]
Date: Fri, 03 Jun 2011 09:26:45 -0400

Make sure she knows that the first phase of the amp project, which is already locked in, uses Solyndra panels, which would be a huge help to a company that already has a loan. The longer this stays in limbo, the more likely the project is to miss out on the deadline for that. I estimate that we have less than a week to ensure that the first phase remains viable.

Jonathan Silver
Executive Director
Loan Programs
US Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585
[REDACTED]

—Original Message—

From: Hurlbut, Brandon
Sent: Friday, June 03, 2011 9:24 AM
To: Silver, Jonathan
Subject: RE:

—Original Message—

From: Silver, Jonathan
Sent: Friday, June 03, 2011 9:07 AM
To: Hurlbut, Brandon
Subject:

Footnote 803, 804

Re:

From: "Zichal, Heather R." [REDACTED]
To: "Hurlbut, Brandon" [REDACTED]
Date: Fri, 03 Jun 2011 11:16:59 -0400

How is it locked in?

----- Original Message -----

From: Hurlbut, Brandon [REDACTED]
To: Zichal, Heather R.
Sent: Fri Jun 03 11:02:55 2011
Subject: FW:

Running down the status requests we just discussed. Did not see the note below before we talked but it is another consequence.

I am going to talk to Chu (he is in Chicago) before we have DP call because if disagrees with this plan - he may want to elevate - I will give you a heads up on whatever happens.

-----Original Message-----

From: Silver, Jonathan
Sent: Friday, June 03, 2011 9:27 AM
To: Hurlbut, Brandon
Subject: RE:

The first phase of the amp project, which is already locked in, uses Solyndra panels, which would be a huge help to a company that already has a loan. The longer this stays in limbo, the more likely the project is to miss out on the deadline for that. I estimate that we have less than a week to ensure that the first phase remains viable.

Jonathan Silver
Executive Director
Loan Programs
US Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

[REDACTED]

Footnote 805, 807

Re: Amp

From: "Navin, Jeff" [REDACTED]
To: "Hurlbut, Brandon" [REDACTED]
Date: Sat, 04 Jun 2011 17:30:38 -0400

Blackhawk not-yet-down!

----- Original Message -----

From: Poneman, Daniel
To: SCHU
Cc: Hurlbut, Brandon; Navin, Jeff
Sent: Sat Jun 04 14:55:10 2011
Subject: Amp

I noted that Silver has told me that there is an urgency related to the Solyndra Phase I of the project, and if that part falls away we will be unable to commence construction by September 30. Heather was receptive and said she will try to schedule such a briefing for Monday. Will keep you posted.

Daniel B. Poneman
Deputy Secretary
US Department of Energy
Washington, DC 20585
[REDACTED]

Footnote 808

RE: Amp

From: "Poneman, Daniel" [REDACTED]
To: "Navin, Jeff" [REDACTED]
Date: Mon, 06 Jun 2011 10:55:25 -0400

Not yet. They are working on it.

Daniel B. Poneman
Deputy Secretary
U.S. Department of Energy
[REDACTED]

-----Original Message-----

From: Navin, Jeff
Sent: Monday, June 06, 2011 10:45 AM
To: Poneman, Daniel
Subject: RE: Amp

Did this get scheduled?

-----Original Message-----

From: Poneman, Daniel
Sent: Saturday, June 04, 2011 2:55 PM
To: SCHU
Cc: Hurlbut, Brandon; Navin, Jeff
Subject: Amp

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Daniel B. Poneman
Deputy Secretary
US Department of Energy
Washington, DC 20585
[REDACTED]

Footnote 809

RE:

From: [REDACTED]

To: [REDACTED]

"Winters, Matthew"

Cc: [REDACTED]

Date: Mon, 13 Jun 2011 16:36:24 -0400

Attachments:

-----Original Message-----

From: [REDACTED]

Sent: Monday, June 13, 2011 4:07 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: RE: .

-----Original Message-----

From: [REDACTED]

Sent: Monday, June 13, 2011 4:03 PM

To: Poneman, Daniel; Silver, Jonathan; [REDACTED] Hurbut, Brandon

Cc: [REDACTED]; Winters, Matthew; Carlson, Jaime; [REDACTED]

Subject: Amp - Proposed Slides for June 14 Mtg w/ Daley



SI BRIEFING

Meeting with

5:00pm – 6:00pm, Tuesday, June 14, 2011

EVENT

LOGISTICS (As of this writing, subject to change)

YOUR ROLE/CONTRIBUTION

PROGRAM NOTES

ATTACHMENTS

1. Talking Points
2. Slide: States with both a solar RPS and ProLogis Buildings (*related to talking points for Slide 7*)
3. Amp Slide Deck



SI BRIEFING

Project Amp Slide Deck Talking Points
June 13, 2011 Briefing



SI BRIFFING



SI RIFERIMENTO





S1 BRIEFING



SRI LANKA



SI BRIEFING



SI BRIEFING



SI BRIEFING



SINGAPORE POLICE



S1 BRLEFNG



SI RRIEPIING



SI BIEPINA

Project Amp

June 14, 2011



U.S. DEPARTMENT OF

ENERGY

LOAN PROGRAMS OFFICE

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ENERGY **LOAN PROGRAMS OFFICE**

ENERGY LOAN PROGRAMS OFFICE

Why Can't Amp be Restructured?

- Additional delay threatens to scuttle entire project
 - Phase 1, slated to start construction this month, uses Solyndra-owned PPAs
 - ProLogis has fronted payments owed by Solyndra to date, but large payments are coming due, and ProLogis is not willing to pay them in the face of uncertainty
 - Includes \$3.5m inverter order (to a U.S. company) and \$350k PPA interconnection payment
 - If Phase 1 falls apart, the project will be unable to meet Sept 30 construction deadline

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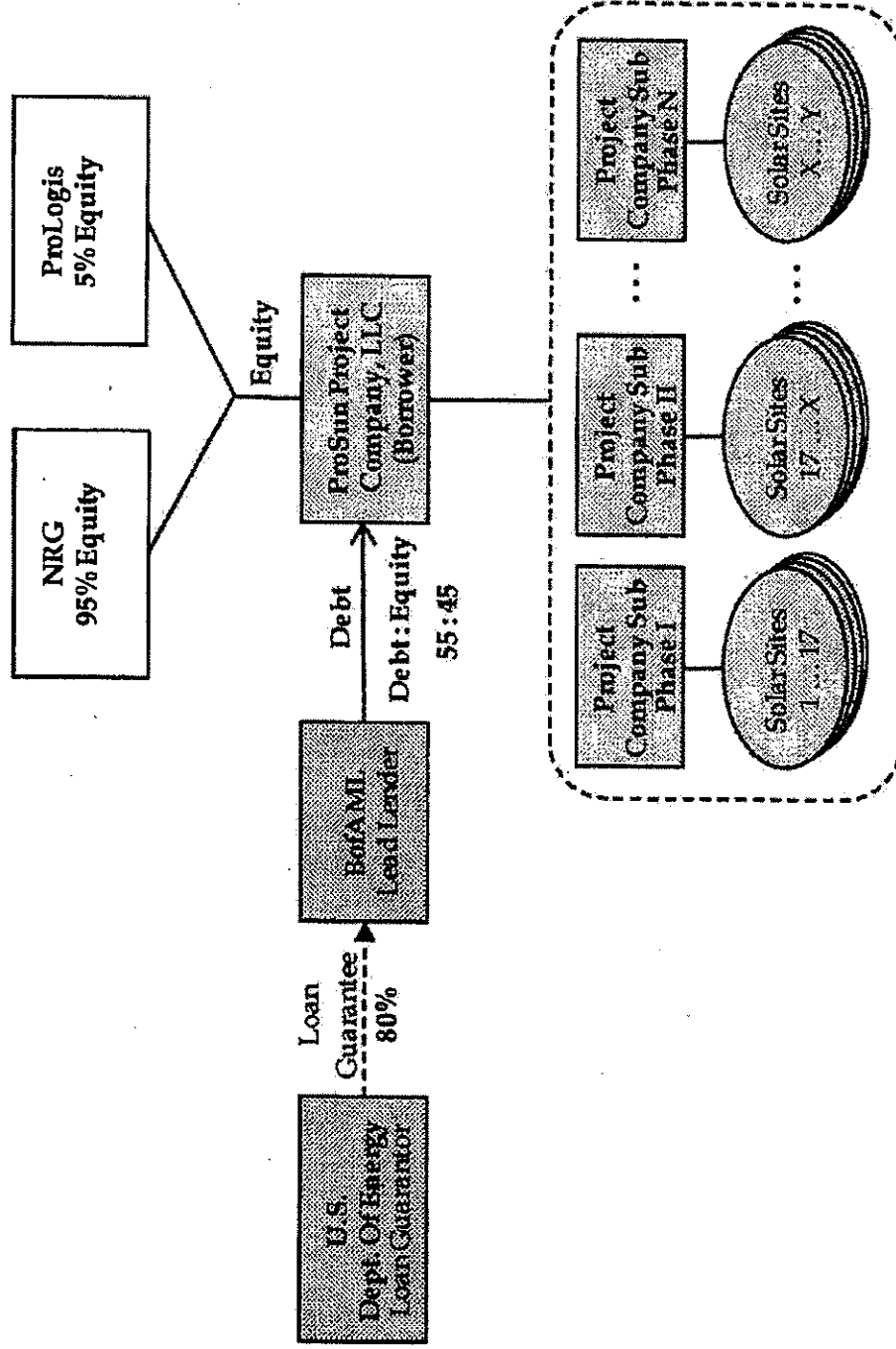
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11

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Amp – Transaction Structure



Summary of Phase Parameters

PPA

- Requires investment grade oftaker (primarily utilities)
- Sets concentration limits for oftaker (\$300M of Debt) and State (350MW)
- Requires 100% output oftake
- Permits liquidated damages if corresponding provisions in EPC/O&M or acceptable
- Establishes customary approval of PPAs and limited early termination rights
- Prohibits purchase option
- Requires oftaker consent agreement

ENERGY LOAN PROGRAMS OFFICE

15

Summary of Phase Parameters

Interconnection Agreement

- Establishes terms necessary to perform under PPA

Footnote 810, 812

To: George Kaiser
Cc: [REDACTED]
Ken Levit
From: Steve Mitchell
Sent: Fri 6/17/2011 10:57:15 PM
Subject: Fw: ProLogis/Solyndra DOE Conditional Commitment Has Been Executed!

George,

This needs be held in strict confidence until Chu makes his announcement next week. But this is very good news for Solyndra. The 16MW represents 20% of our 3rd and 4th quarter volumes and is at good pricing. In addition, the entire 800MW Amp program is 100% rooftops only - Solyndra has the right to bid on each deal.

Steve

From: Brian Harrison [REDACTED]
Sent: Friday, June 17, 2011 05:33 PM
To: Steve Mitchell; jarnie [REDACTED]; dprend [REDACTED]

Cc: Bill Stover [REDACTED]
Subject: FW: ProLogis/Solyndra DOE Conditional Commitment Has Been Executed!

Gentlemen

I am pleased to pass this news along to you. The 16MW for Photon/AMP project with SCE has received conditional loan approval. Please note the comment for confidentiality until Secty Chu announces late next week. Specifics on week by week shipment and Q3/Q4 breakdown will become clear in the coming weeks but the key point is we now have very high confidence to ship this 16MW in H2. Read and enjoy the details below.

Happy Father's Day! Brian

From: [REDACTED]
Sent: Friday, June 17, 2011 3:00 PM
To: Brian Harrison; Bill Stover; [REDACTED]
Subject: ProLogis/Solyndra DOE Conditional Commitment Has Been Executed!
Importance: High

All:

I just concluded a call with Drew Torbin (ProLogis), Jonathan Plowe and [REDACTED] (BAML) who confirmed that DOE has approved the conditional commitment for Project Amp.

This is a major milestone for the project and the team was clearly thrilled by the accomplishment and anxious to move to a financial close and the commencement of construction of Project Photon, expected in 7-10 weeks.

To offer some color on the events of the last few days, [REDACTED] stated that on three occasions this week he thought that the deal was dead, but Secretary Chu personally pulled it off. Chu shared with the team that this deal went to higher levels in the Obama Administration to gain approval than any other transaction in the Loan Guarantee Program, and that he is personally committed to seeing it through to a successful conclusion.

Despite some constituents' recommendation to reduce the scope of Project Amp, ProLogis avoided reducing the size of the 800MW commitment. Everyone is excited to move forward with the 15MW Project Photon as the first phase of Amp.

The news of the approval is confidential until announced by DOE, and DOE is very sensitive on this point—please be careful to maintain this confidentiality. Secretary Chu plans to announce the conditional commitment late next week in conjunction with an event at which he will speak.

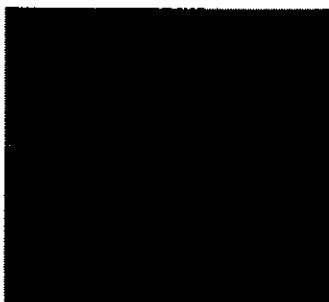
I would like to especially acknowledge the significant efforts of [REDACTED] over the last 16 months to achieve this crucial project milestone. Enjoy the weekend!

[REDACTED]

[REDACTED]

SOLYNDRA LLC

[REDACTED]



Footnote 813-817

To: 'brian.harrison [REDACTED]
'bill.stover [REDACTED]
Cc: [REDACTED]
From: Steve Mitchell
Sent: Thur 8/18/2011 11:11:40 PM
Subject: Re: Re: Spoke directly with [REDACTED] - Confidential

I agree 100% with your photon point. [REDACTED] just called me and confirmed the order on monday would be firm for 15MW.

From: Brian Harrison [REDACTED]
Sent: Thursday, August 18, 2011 05:21 PM
To: Brian Harrison [REDACTED]; Steve Mitchell; Bill Stover [REDACTED]
Cc: [REDACTED]
Subject: RE: Spoke directly with [REDACTED] - Confidential

One more point... This is in the conspiracy theory space but I believe has factual basis:

I believe DOE is desperate to get AMP to happen. I think they have linked Phase 1 of AMP (which is Photon) to the project success. Solyndra asked for this several months ago to ensure Photon happens. If we don't ship to Photon then I think there may be some negative implications to AMP that the DOE is urgently trying to avoid. They are strong arming ProLogis take panels to get Photon done before Solyndra fails. All we have to do is ship panels. First ProLogis shipment as of this week meeting with ProLogis is week of Sept 10 I believe.

Brian

From: Brian Harrison
Sent: Thursday, August 18, 2011 3:10 PM
To: 'Steve Mitchell'; Bill Stover
Cc: [REDACTED]
Subject: Spoke directly with [REDACTED] Confidential

Guys

Here is the deal. As I suspected, the DOE guys are out of touch. At some point this week, the DOE will inform ProLogis that they need to "over purchase" panels from Solyndra for Photon. The vague, general reason is that they are buying from a distressed company and to get the entire

AMP loan approved they need to buy some extra panels to protect for warranty issues should the panel provider (Solyndra) fail for Phase 1 which is Photon. [REDACTED] and DOE still thinks the deal is 15MW and they were going to ask ProLogis to buy 2MW extra for a total of 17MW. When I explained to [REDACTED] the deal was now 11.7MW (or something close to that) and the reasons why this was the case. He did not know this. I told him we already expected an order for ~9MW on Monday and that I have no business rationale to offer a discount to get the entire order (which is additional 2.7MW). I am going to get the entire order anyway! He agreed. [REDACTED] is going to call his guy in the middle of Photon and find out the story.

He repeated several times that Solyndra should not to call ProLogis until Monday and not to tell them of DOE conversations.

I think this is a red herring. We will get an order Monday for 9MW and that is great. We will get the other 2.7MW (and some warranty excess I guess) for Q4 shipments. We had ~4.5MW in Q3 plan and ~4.5MW opportunity way back on July 28 at the board meeting. This is all coming true as predicted with ~4.5MW upside happening.

Brian

Footnote 818, 819

To: Steve Mitchell
Cc: [REDACTED]
From: [REDACTED]
Sent: Mon 8/22/2011 3:28:17 PM
Subject: RE: RE: Solyndra Master Advance Notice for Requested Advance Date 8/23/2011

Yes, that's my understanding as well. So I have everything ready to go for the draw, so I'll wait for the green light from you before sending.

From: Steve Mitchell
Sent: Monday, August 22, 2011 10:17 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: Solyndra Master Advance Notice for Requested Advance Date 8/23/2011

Not until we have certainty that the DOE is also releasing. I also want to see this ProLogis order come through as well.

From: [REDACTED]
Sent: Monday, August 22, 2011 10:15 AM
To: Steve Mitchell
Cc: [REDACTED]
Subject: RE: Solyndra Master Advance Notice for Requested Advance Date 8/23/2011

Steve – to confirm before I send around the documentation, we're okay with releasing additional Tranche A tomorrow in the amount of 4,364,941.40?

From: [REDACTED]
Sent: Sunday, August 21, 2011 10:57 PM
To: [REDACTED]; Steve Mitchell; [REDACTED]
Cc: [REDACTED]; Nwachuku, [REDACTED]
Frances: [REDACTED]; jamie [REDACTED]; Bill Stover, [REDACTED]
Subject: Solyndra Master Advance Notice for Requested Advance Date 8/23/2011

Dear [REDACTED] – This Master Advance Notice and Advance Request are delivered to you pursuant to the First Amended & Restated Common Agreement, dated as of February 23, 2011 (the

"Common Agreement"), by and among (i) Solyndra LLC (formerly known as Solyndra Fab 2 LLC), as Borrower, (ii) the U.S. Department of Energy, acting by and through the Secretary of Energy for itself as a Restructured Credit Party and as loan guarantor, (iii) the U.S. Department of Energy, acting by and through the Secretary of Energy as the Loan Servicer, (iv) U.S. Bank National Association, as Master Collateral Agent, (v) Argonaut Ventures, I, L.L.C., as the Tranche A Facility Agent, and (vi) Argonaut Ventures, I, L.L.C., as the Tranche E Facility Agent for Requested Advance Date of August 23, 2011.

Please contact me with any questions. Thank you, [REDACTED]

[REDACTED]

Contracts Manager

Solyndra, Inc.

[REDACTED]

Footnote 820

To: Steve Mitchell; [REDACTED]
From: Bill Stover
Sent: Mon 8/22/2011 9:07:48 PM
Subject: This may not be current info

We're still gathering info....this is the summary as it existed before I spoke with you on your Phoenix layover.

From: [REDACTED]
Sent: Monday, August 22, 2011 12:56 PM
To: Brian Harrison; Bill Stover; [REDACTED]
Cc: [REDACTED]
Subject: Photon - Privileged and Confidential
Importance: High

I just received a call from Drew Torbin regarding Project Photon -- according to Drew, based on "foot dragging" from the DOE in regards to Project AMP and other happenings in the solar market (he specifically referred to [REDACTED] situation), ProLogis wants to make additional changes to our LOI and Sales Agreement, including:

- Upon executing an amended LOI and Sales Agreement with all of these changes, ProLogis will immediately issue a P.O. for all the product and take delivery of it all at a ProLogis warehouse;
- ProLogis has requested to negotiate a new lower price per watt -- he did not give any indication as to the specific amount;
- Payment terms begin at the later of delivery date or completion of permitting;
- If a specific building is not permitted in the required time for any reason, ProLogis can return product and has no obligation to pay any amounts (i.e., re-shipping, restocking, etc.);
- Mutual right to cancel the Agreement and all purchases if either party becomes insolvent or if Project Photon does not close; and
- The project lost another building and is now down to approximately 11.5MW.

Drew indicated that we would receive revised documents from ProLogis' counsel today and that ProLogis wants to get this resolved and signed today or tomorrow. I will provide additional

input when I receive the marked up agreements.

Footnote 821, 823

To: Steve Mitchell
From: [REDACTED]
Sent: Tue 8/23/2011 4:38:37 PM
Subject: RE: RE: Call at 4:30

Steve - good morning. Would like to catch up on our conversation from yesterday evening. Please give me a call at your convenience (I also left a similar message on your mobile).

Thanks,

[REDACTED]

[REDACTED]
Director, Strategic Initiatives
Loan Programs Office
U.S. Department of Energy
[REDACTED]

-----Original Message-----

From: Steve Mitchell [REDACTED]
Sent: Monday, August 22, 2011 4:17 PM
To: Nwachuku, Frances; [REDACTED]
Cc: [REDACTED]
Subject: Re: Call at 4:30

Guys,

My flight was diverted to Phoenix as a passenger became very ill. I should reach the company late afternoon. I did touch base quickly with Bill Stover. He indicated that no order had been received from ProLogis yet, but that ProLogis had called requesting a list of contract modifications. This list included the right to return all panels in the event the company files bankruptcy. Let's discuss but this is certainly unacceptable. We are taking off again soon but hopefully we will know more about these modifications by the time I get to Solyndra and we can all discuss. This is a critical go forward item for us beyond the inventory purchase.

-----Original Message-----

From: Nwachuku, Frances [REDACTED]
Sent: Wednesday, August 17, 2011 11:31 AM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED]
Subject: Re: Call at 4:30

Steve,

We are ready. Could you use the dial in numbers below.

[REDACTED]

Frances I. Nwachuku

Director, Portfolio Management Division
Loan Programs Office
Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

----- Original Message -----

From: Steve Mitchell [REDACTED]
Sent: Wednesday, August 17, 2011 12:04 PM
To: Nwachuku, Frances; [REDACTED]
Cc: [REDACTED]
Subject: RE: Call at 4:30

Yes, I have a hard stop at 1pm your time so we will only have 30 minutes. My expectation is that should be enough time to understand your proposal and we will need to internalize here anyway.

-----Original Message-----

From: Nwachuku, Frances [REDACTED]
Sent: Wednesday, August 17, 2011 10:30 AM
To: Steve Mitchell; [REDACTED]
Cc: [REDACTED]
Subject: Re: Call at 4:30

Steve,

Could I ask to move the meeting back by 30 minutes to 12:30pm. I am caught up in a meeting. Thanks.

Frances

Frances I. Nwachuku
Director, Portfolio Management Division
Loan Programs Office
Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

----- Original Message -----

From: Steve Mitchell [REDACTED]
Sent: Wednesday, August 17, 2011 10:58 AM
To: [REDACTED]
Cc: Nwachuku, Frances; [REDACTED]
Subject: Re: Call at 4:30

----- Original Message -----

From: McEvoy, Randolph [REDACTED]

Sent: Wednesday, August 17, 2011 09:56 AM

To: Steve Mitchell

Cc: Nwachuku, Frances; [REDACTED]

Subject: RE: Call at 4:30

What number should we call you on?

-----Original Message-----

From: Steve Mitchell [REDACTED]

Sent: Wednesday, August 17, 2011 10:58 AM

To: [REDACTED]

Cc: Nwachuku, Frances; [REDACTED]

Subject: Re: Call at 4:30

Yes it does

----- Original Message -----

From: [REDACTED]

Sent: Wednesday, August 17, 2011 09:55 AM

To: Steve Mitchell

Cc: Nwachuku, Frances; [REDACTED]

Subject: RE: Call at 4:30

Steve,

Does 12:00 EST work for you to have a call to walk through the framework?

Thanks.

[REDACTED]

-----Original Message-----

From: Steve Mitchell [REDACTED]

Sent: Tuesday, August 16, 2011 3:09 PM

To: [REDACTED]

Cc: Nwachuku, Frances; [REDACTED]

Subject: RE: Call at 4:30

I'm anticipating a framework of a deal that could be supported by the DOE during this discussion. This was promised by the end of business today. Is this still anticipated?

-----Original Message-----

From: [REDACTED]

Sent: Tuesday, August 16, 2011 1:40 PM

To: Steve Mitchell

Cc: Nwachuku, Frances; [REDACTED]

Subject: Call at 4:30

Steve,

Are you available for a call at 4:30 EST? We would like to follow up on our discussions from yesterday.

Thanks.



Footnote 824, 825, 826

To: Steve Mitchell
From: David Prend
Sent: Thur 8/25/2011 7:08:31 PM
Subject: RE: RE: Update

Wonderful!

From: Steve Mitchell [REDACTED]
Sent: Thursday, August 25, 2011 11:56 AM
To: David Prend
Subject: RE: Update

I think Treasury bullied them.

From: David Prend [REDACTED]
Sent: Thursday, August 25, 2011 1:44 PM
To: Steve Mitchell
Subject: RE: Update

That is surprising. Are they giving up?

From: Steve Mitchell [REDACTED]
Sent: Thursday, August 25, 2011 11:35 AM
To: David Prend
Subject: RE: Update

Not good. the DOE changed their story (though they are claiming no change) and are requiring the Prologis deal to close and to have a fully committed and funded plan prior to closing the Tranche B. I don't see that happening over the next 48 to 72 hours.

From: David Prend [REDACTED]
Sent: Thursday, August 25, 2011 1:30 PM
To: Brian Harrison; Steve Mitchell; Jamie McJunkin
Cc: Bill Stover
Subject: RE: Update

Thanks Brian. What is up on the Tranche B funding?

From: Brian Harrison [REDACTED]
Sent: Thursday, August 25, 2011 11:05 AM
To: Steve Mitchell; Jamie McJunkin; David Prend
Cc: Bill Stover
Subject: Update

Guys

Quick update on activity of this morning regarding ProLogis and revised "skinny" plan.

ProLogis issue made very good progress in the meeting this morning. We are agreed on all major elements and these are being "papered" now. I expect closure on those items late today or Friday AM at the latest.

I reviewed the "skinny plan" that was presented to you guys and Lazard earlier this week. The adjustments that we made in the areas of capital spending and manufacturing labor reduction are good innovations and improvements. I think the shutdown each quarter is a great way to control output and get cost out of the system. I believe employees will find this a positive outcome as well. The plan is essentially identical to the previous one in the areas on Op Ex (R&D, S&M, G&A). We are moving forward with a communication and implementation schedule to begin next week.

Brian

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Footnote 827

To: Steve Mitchell; Fred Dorwart; [REDACTED]
Cc: [REDACTED]
From: George Kaiser
Sent: Fri 8/26/2011 8:14:38 PM
Subject: RE: RE: Solyndra

Could you get DOE to join you by funding increments of tranche B as you fund inventory and tranche A in order to provide a more "deliberate" wind down of the company and thereby interfere less with their interests?

From: Steve Mitchell
Sent: Friday, August 26, 2011 1:04 PM
To: George Kaiser; Fred Dorwart; [REDACTED]
Cc: [REDACTED]
Subject: RE: Solyndra

We think we have an enforceable agreement with ProLogis now (albeit just a signed letter of intent). I don't think we will get more than that. Fulfillment of that order will assist our effort in selling down inventory we have acquired from the company. GKFF may need to fund another inventory purchase or fund \$1 or \$2 million of Tranche A still remaining to enable the company to have enough capital to liquidate the business. But I hope not.

From: George Kaiser
Sent: Friday, August 26, 2011 2:52 PM
To: Fred Dorwart; Steve Mitchell; [REDACTED]
Cc: [REDACTED]
Subject: RE: Solyndra

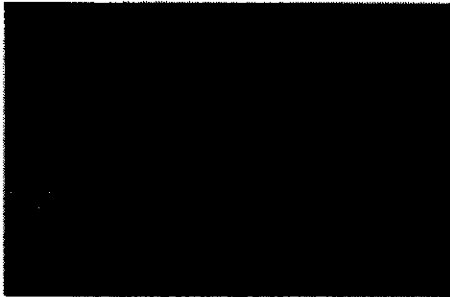
Agree. Will DOE put pressure on Prologis to sign? Will fulfillment of that order require anything further from GKFF financially to preserve a remnant company effort?

From: Fred Dorwart
Sent: Friday, August 26, 2011 12:40 PM
To: Steve Mitchell; [REDACTED]

Cc: [REDACTED]; George Kaiser; Fred Dorwart
Subject: RE: Solyndra

I think that is where we are. I agree with your recommendation.

Frederic Dorwart



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From: Steve Mitchell [REDACTED]
Sent: Friday, August 26, 2011 1:30 PM
To: [REDACTED] Dorwart, Fred
Cc: [REDACTED] George Kaiser
Subject: Solyndra

Guys,

As discussed, I spent the first half of this week in Fremont with Solyndra management and the team from Lazard working on business plan alternatives that we could potentially get comfortable underwriting for a continued investment. We were unable to reach agreement on a plan that I feel comfortable recommending for investment. The key issue with the final revised plan is that although it does reduce costs in the short term it is still ultimately a revenue driven plan that requires Solyndra to be selling 55 MWs in the 4th quarter of 2012 – this plan also keeps ASP's at \$1.90 to \$1.85 per watt which I feel is optimistic in light of current pricing we are seeing in the market and the world glut of solar panels.

We did not fund Tranche A as was discussed last Friday, nor did the DOE fund Tranche B. This was dependent on the ProLogis order coming in which has still not been finalized (ProLogis keeps trying to re-trade the deal with the company – I think the ProLogis deal will be signed today but this may not occur in light of the state of the company). As of yesterday, the DOE has indicated that it will not fund Tranche B even if the ProLogis deal is executed unless there is also a broader commitment to fund the company going forward. In light of the current headwinds in the macro solar market (pricing, over-supply, Chinese irrational manufacturing decisions, etc.), I cannot recommend investing another \$75 to \$100 million in Solyndra and am not comfortable stating with certainty that \$75 to \$100 million will fully fund the company to cash flow break even.

The company's current cash position will require the board to move toward a wind down over the weekend. I don't see a viable path forward for Solyndra unless Argonaut is prepared to make a commitment (subject to milestones) of 80% to 90% of a \$75 million equity investment. I have talked with [REDACTED] and Fred (George I haven't talked with you as you are travelling) and their recommendation, and mine, is that we inform the company that we are not prepared to make an investment. This will most likely lead Solyndra down the path of winding down.

Please let me know if anyone is in disagreement with this recommendation?

Steve

Footnote 828, 829

From: [REDACTED]
To: [REDACTED]
Subject: RE: DOE/Solyndra
Date: Friday, August 26, 2011 1:45:06 PM

Thanks for this ... and if they do fund, let's try to get our legal fees in there ...

Regards,
[REDACTED]

[REDACTED]
Morrison & Foerster LLP
2000 Pennsylvania Avenue, N.W. Suite 6000
Washington, D.C. 20006
[REDACTED]

From: [REDACTED]
Sent: Friday, August 26, 2011 1:42 PM
To: Richardson, Susan
Cc: [REDACTED]
Subject: FW: DOE/Solyndra

See below. I just spoke with [REDACTED] who told me that JS, S2 and the WH are discussing whether to further fund the company with another advance. The Prologis PO has a price differential of .18 per watt which is why the PO has not been signed yet. Prologis and the company continue to negotiate.

[REDACTED]
Loan Guarantee Program
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585
[REDACTED]

From: [REDACTED]
Sent: Friday, August 26, 2011 1:22 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: DOE/Solyndra

PRIVILEGED AND CONFIDENTIAL -- SUBJECT TO ATTORNEY-CLIENT PRIVILEGE

[REDACTED]
Please see my email to the Mofo team below. I can be available to discuss shortly,

[REDACTED]

From: [REDACTED]
Sent: Friday, August 26, 2011 12:54 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: DOE/Solyndra

[REDACTED]

I participated in the call with [REDACTED] and Solyndra and Argonaut bankruptcy counsel. Short story, in their view they are at crisis mode again because according to [REDACTED], DOE is not prepared to fund anything additional absent a fully funded plan and DOE will not agree to fund anything additional on the B tranche to allow the process to continue (i.e., they can't fund into a bankruptcy filing"). As a result, according to [REDACTED] Argonaut will not fund anything additional on the A piece. There was some noise about how this was not the understanding with going forward last week (I sensed some DOE finger pointing), but in any event, unless there was movement on this issue, Solyndra felt constrained to shut down next week to be followed by a prompt bankruptcy.

Solyndra is having a board meeting at 10:00 a.m. Pacific. I'm finishing a call now, and I'll call you with some more details shortly. Solyndra has apparently not given any thought or devoted time or resources to figuring out how to accomplish the liquidation and clearly have spent not time exploring a going concern sale.

[REDACTED]

[REDACTED]
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104

[REDACTED]

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