
From: Steve Mitchell [REDACTED]
Sent: Thursday, February 11, 2010 2:10 AM
To: George Kaiser
Cc: [REDACTED]
Subject: Fw: Successful meeting with Jonathan Silver
Attachments: 2010-02-09 Jonathan Silver - Solyndra Update.pdf

George,

This sounds as if the meeting with the DOE went as well as we could have hoped for.

Steve

From: Chris Gronet [REDACTED]
To: [REDACTED]

Cc: [REDACTED]

Sent: Wed Feb 10 19:41:43 2010
Subject: Successful meeting with Jonathan Silver

Hi All,

Please find below [REDACTED] report regarding our meeting with Jonathan Silver yesterday. It was successful; he received and processed our messages and played them back. But we don't have a firm answer on the Phase 2 application. The snow prevented Jonathan from meeting with his staff before our meeting (the DOE offices were closed, but he was there), so he could not provide any detailed updates. The next hurdle is to be accepted for the start of diligence. We all felt positive by the end of the meeting that we would cross this hurdle in the next two weeks, and there was discussion about using the same diligence partners to minimize time and overhead. After that, the challenge will be the calendar. There are a number of applications ahead of us that are scheduled for action by CRB and OMB.

Other notes:

1. Quote from Jonathan regarding our Fab 2 Phase 2 project: "A May groundbreaking is not out of the question." The context here is that groundbreaking means closure of the loan, implying that the guarantee could come much sooner.
2. He may seek our help in Congressional hearings to support his messages for the LGP (next hearing in two weeks).
3. He was impressed that we have developed a U.S. supply chain which not only creates more U.S. jobs and economic stimulus but also protects our IP.
4. I believe we now have an open line of communication. His last email: "Glad we could get together. I appreciated the update. You have made admirable progress. I look forward to staying in touch."
5. We are not the only company seeking a second loan guarantee.

Best regards,

Chris Gronet
CEO
Solyndra, Inc.
47700 Kato Road
Fremont, CA 94538 USA

From [REDACTED]

We (including [REDACTED] and [REDACTED]) had an encouraging meeting yesterday with Jonathan Silver. As you know, the snowy weather on the East Coast has effectively shut down the US Government, and our meeting scheduled for Wednesday at DOE was in jeopardy. Fortunately, we were able to reach Jonathan in his office, and he agreed to meet us yesterday at our hotel.

Jonathan is a smart, no-nonsense businessman with a clear mandate to execute successful loan guarantee transactions using a traditional project finance approach. That said, he is acutely sensitive to the political ramifications of any LGPO action, and this pressure colored all of his comments.

We were successful in establishing our key themes, and Jonathan was repeating them to us by the end of the session: strong management, great execution, significant market and market penetration, mature technology, capacity to close quickly on Phase 2, capacity to create jobs, one of DOE's winners. A copy of the presentation we used is attached. Not attached are a time-lapse video of the Fab 2 Front End construction and an aerial tour video of our manufacturing complex. These images had a powerful impact on Jonathan, and he acknowledged that Solyndra is frequently cited as a success story for DOE.

We had a lengthy discussion surrounding the issue of access to capital from sources other than DOE. He was particularly interested to hear why the debt markets are closed for companies of our type because that question is put to him with frequency by various constituents, some of whom apparently suggest that the capital markets have thawed.

Because DOE was closed today, Jonathan's staff did not have the opportunity to provide an advance briefing related to our Phase 2 application status. Nevertheless, Jonathan appeared to acknowledge that we will likely move to the due diligence stage when he directly engaged in a discussion of the potential political challenges that a second Solyndra loan guarantee would present. Rather than challenge the merits of our application, he moved on to think through the political implications of a second loan guarantee. Jonathan asked us for assistance in crafting the messages in response to four questions that he anticipated from his various constituents:

1. As a policy matter, why should DOE give additional loan guarantees to companies that had previously received them?
2. As a policy matter, why should DOE give additional loan guarantees to companies that have not yet achieved significant milestones of success with their first loan?
3. If a company that seeks a second loan guarantee has a compelling value creation story and substantially mitigated downside risk, why does it not have access to traditional forms of capital?
4. Why should DOE move quickly to approve a second loan guarantee application when many other applicants across technologies have yet to receive their first?

Jonathan was able to provide responses to each question based on the content of our presentation and our discussion; however, he asked us to repackage the content to expressly address these four questions. He is

clearly preparing his responses to DOE's CRB (Credit Review Board), Congress, OMB, the Treasury, and other entities that have influence. Jonathan is smart enough to know that he will succeed by getting ahead of any negative reaction. We think it as a positive sign that he's asking us to partner with him to help address those that would challenge the approval of a Phase 2 loan guarantee and any second loan guarantees offered to other applicants.

Jonathan did say that above all other political matters, the creation of jobs is currently of paramount importance to many of his constituents. He appreciated that we have the capability to immediately create thousands of jobs with Phase 2.

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