

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2019

OR

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

COMMISSION FILE NUMBER: 001-37796

Infrastructure and Energy Alternatives, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

47-4787177
(IRS Employer
Identification No.)

**6325 Digital Way
Suite 460
Indianapolis, Indiana**
(Address of Principal Executive Offices)

46278
(Zip Code)

Registrant's telephone number, including area code: **(765) 828-2580**

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

| <u>Title of each class</u> | <u>Trading Symbols(s)</u> | <u>Name of exchange on which registered</u> |
|----------------------------------|---------------------------|---|
| Common Stock, \$0.0001 par value | IEA | The NASDAQ Stock Market LLC |

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth Company

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

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

Number of shares of Common Stock outstanding as of the close of business on May 15, 2019: 22,252,489.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Balance Sheets
(\$ in thousands, except per share data)
(Unaudited)

| | March 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | 47,917 | 71,311 |
| Accounts receivable, net | 143,982 | 225,366 |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 59,526 | 47,121 |
| Prepaid expenses and other current assets | 16,323 | 12,864 |
| Total current assets | <u>267,748</u> | <u>356,662</u> |
| Property, plant and equipment, net | 170,893 | 176,178 |
| Goodwill | 37,373 | 40,257 |
| Intangibles | 47,334 | 50,874 |
| Company-owned life insurance | 4,056 | 3,854 |
| Other assets | 179 | 188 |
| Deferred income taxes - long term | 21,403 | 11,215 |
| Total assets | <u>\$ 548,986</u> | <u>\$ 639,228</u> |
| Liabilities and Stockholder's Equity (Deficit) | | |
| Current liabilities: | | |
| Accounts payable | 77,578 | 158,075 |
| Accrued liabilities | 65,021 | 94,059 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 85,269 | 62,234 |
| Current portion of capital lease obligations | 23,424 | 17,615 |
| Term loan - short-term | 32,435 | 32,580 |
| Total current liabilities | <u>283,727</u> | <u>364,563</u> |
| Capital lease obligations, net of current maturities | 60,156 | 45,912 |
| Long-term debt | 290,803 | 295,727 |
| Deferred compensation | 6,892 | 6,157 |
| Contingent consideration | 23,082 | 23,082 |
| Total liabilities | <u>\$ 664,660</u> | <u>\$ 735,441</u> |
| Commitments and contingencies: | | |
| Preferred stock, par value, \$0.0001 per share; 1,000,000 shares authorized; 34,965 shares and 34,965 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively | 34,965 | 34,965 |
| Stockholders' equity (deficit): | | |
| Common stock, par value, \$0.0001 per share; 100,000,000 shares authorized; 22,266,211 and 22,155,271 shares issued and 22,252,489 and 22,155,271 outstanding at March 31, 2019 and December 31, 2018, respectively | 2 | 2 |
| Treasury stock, 13,722 shares at cost | (76) | — |
| Additional paid in capital | 5,501 | 4,751 |
| Retained earnings (deficit) | (156,066) | (135,931) |
| Total stockholders' equity (deficit) | <u>(150,639)</u> | <u>(131,178)</u> |
| Total liabilities and stockholders' equity (deficit) | <u>\$ 548,986</u> | <u>\$ 639,228</u> |

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statement of Operations
(\$ in thousands, except per share data)
(Unaudited)

| | Three Months Ended | |
|---|---------------------------|--------------------|
| | March 31, | |
| | 2019 | 2018 |
| Revenue | \$ 190,810 | \$ 50,135 |
| Cost of revenue | 184,037 | 53,220 |
| Gross profit | 6,773 | (3,085) |
| Selling, general and administrative expenses | 27,754 | 16,960 |
| Loss from operations | (20,981) | (20,045) |
| Other expense, net: | | |
| Interest expense, net | (10,367) | (851) |
| Other expense | (170) | (11) |
| Loss before benefit for income taxes | (31,518) | (20,907) |
| Benefit for income taxes | 8,629 | 3,515 |
| Net loss | <u>\$ (22,889)</u> | <u>\$ (17,392)</u> |
| Net loss per common share - basic and diluted | (1.06) | (0.81) |
| Weighted average shares - basic and diluted | 22,188,757 | 21,577,650 |

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(\$ in thousands)
(Unaudited)

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Accumulated Deficit | Total Equity (Deficit) |
|-------------------------------------|---------------|-------------|-------------------------------|----------------|----------------|------------------------|---------------------------|
| | Shares | Par Value | | Shares | Cost | | |
| Balance at December 31, 2017 | 21,578 | 2 | — | — | — | (10,021) | (10,019) |
| Net loss | | | | | | (17,392) | (17,392) |
| Issuance of preferred stock | | | | | | (34,965) | (34,965) |
| Contingent consideration | | | | | | (69,373) | (69,373) |
| Merger recapitalization transaction | | | | | | (22,973) | (22,973) |
| Balance at March 31, 2018 | <u>21,578</u> | <u>\$ 2</u> | <u>\$ —</u> | <u>—</u> | <u>\$ —</u> | <u>\$ (154,724)</u> | <u>\$ (154,722)</u> |
| Balance at December 31, 2018 | 22,155 | 2 | 4,751 | — | — | (135,931) | (131,178) |
| Net loss | | | | | | (22,889) | (22,889) |
| Share-based compensation | | | 1,040 | | | | 1,040 |
| Share-based payment transaction | 111 | — | 235 | (14) | (76) | | 159 |
| Merger transaction | | | | | | 2,754 | 2,754 |
| Preferred dividends | | | (525) | | | | (525) |
| Balance at March 31, 2019 | <u>22,266</u> | <u>\$ 2</u> | <u>\$ 5,501</u> | <u>(14)</u> | <u>\$ (76)</u> | <u>\$ (156,066)</u> | <u>\$ (150,639)</u> |

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Condensed Consolidated Statements of Cash Flows
(\$ in thousands)
(Unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|-------------|
| | 2019 | 2018 |
| Cash flows from operating activities: | | |
| Net loss | \$ (22,889) | \$ (17,392) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 12,017 | 1,972 |
| Amortization of deferred financing charges | 1,239 | — |
| Share-based compensation expense | 1,040 | — |
| Loss on sale of equipment | 133 | — |
| Deferred compensation | 735 | 155 |
| Provision for losses on uncompleted contracts | — | 872 |
| Deferred income taxes | (8,629) | (2,567) |
| Other | 35 | — |
| Change in operating assets and liabilities: | | |
| Accounts receivable | 81,354 | 20,938 |
| Costs and estimated earnings in excess of billings on uncompleted contracts | (12,405) | 3,685 |
| Prepaid expenses and other assets | (3,149) | (601) |
| Accounts payable and accrued liabilities | (110,060) | (16,943) |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 23,032 | 24,726 |
| Net cash provided by (used in) operating activities | (37,547) | 14,845 |
| Cash flow from investing activities: | | |
| Company-owned life insurance | (202) | (25) |
| Purchases of property, plant and equipment | (1,908) | (108) |
| Proceeds from sale of property, plant and equipment | 47 | — |
| Net cash used in investing activities | (2,063) | (133) |
| Cash flows from financing activities: | | |
| Proceeds from debt and line of credit | 9,400 | 64,927 |
| Payments on debt and line of credit | (16,151) | (38,447) |
| Debt issuance costs | — | (2,144) |
| Payments on capital lease obligations | (4,289) | (1,304) |
| Sale-leaseback transaction | 24,343 | — |
| Proceeds from stock-based awards, net | 159 | — |
| Recapitalization transaction | 2,754 | (22,973) |
| Net cash provided by financing activities | 16,216 | 59 |
| Net change in cash and cash equivalents | (23,394) | 14,771 |
| Cash and cash equivalents, beginning of the period | 71,311 | 4,877 |
| Cash and cash equivalents, end of the period | \$ 47,917 | \$ 19,648 |
| Supplemental disclosure of cash and non-cash transactions: | | |
| Cash paid for interest | \$ 9,168 | \$ 853 |
| Cash paid for income taxes | \$ 190 | \$ — |
| Merger-related contingent consideration | \$ — | \$ 69,373 |
| Issuance of common shares | \$ — | \$ 90,282 |
| Issuance of preferred shares | \$ — | \$ 34,965 |
| Preferred dividends declared | \$ 525 | \$ — |

See accompanying notes to condensed consolidated financial statements.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

Note 1. Business, Basis of Presentation and Significant Accounting Policies

Infrastructure and Energy Alternatives, Inc. (f/k/a M III Acquisition Corporation (“M III”)), a Delaware corporation, is a holding company organized on August 4, 2015 (together with its wholly-owned subsidiaries, “IEA” or the “Company”).

On March 26, 2018 (the “Closing Date”), the Company consummated a merger (the “Merger”) pursuant to an Agreement and Plan of Merger, dated November 3, 2017 (as amended, the “Merger Agreement”), by and among M III, IEA Energy Services, LLC (“IEA Services”), a Delaware limited liability company, Infrastructure and Energy Alternatives, LLC (the “Seller”), a Delaware limited liability company and the parent of IEA Services immediately prior to such time, and the other parties thereto, which provided for, among other things, the merger of IEA Services with and into a wholly-owned subsidiary of M III. Following the Merger, M III Acquisition Corporation changed its name to Infrastructure and Energy Alternatives, Inc. See *Note 2. Merger and Acquisition* for more information about the Merger.

On September 25, 2018, IEA Services completed its acquisition of Consolidated Construction Solutions I LLC (“CCS”), a provider of environmental and industrial engineering services through its wholly-owned subsidiaries, Saiia LLC (“Saiia”) and American Civil Constructors LLC (the “ACC Companies”). On November 2, 2018, IEA Services completed its acquisition of William Charles Construction Group, including its wholly-owned subsidiary Ragnar Benson (“William Charles”), a provider of engineering and construction solutions for the rail infrastructure and heavy civil construction industries. See *Note 2. Merger and Acquisition* for further discussion of these acquisitions.

The Company specializes in providing complete engineering, procurement and construction (“EPC”) services throughout the United States (“U.S.”) for the renewable energy, traditional power and civil infrastructure industries. These services include the design, site development, construction, installation and restoration of infrastructure. Although the Company has historically focused on the wind industry, its recent acquisitions have expanded its construction capabilities and geographic footprint in the areas of renewables, environmental remediation, industrial maintenance, specialty paving and heavy civil and rail infrastructure construction, creating a diverse national platform of specialty construction capabilities.

Principles of Consolidation

The accompanying condensed unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with GAAP have been condensed or omitted.

The condensed unaudited consolidated financial statements include the accounts of IEA and its wholly-owned direct and indirect domestic and foreign subsidiaries and in the opinion of management, these financial statements reflect all adjustments that are necessary to present fairly the results of operations for the interim periods presented. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results that may be expected for the year ending December 31, 2019. These financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018 and notes thereto included in the Company’s 2018 Annual Report on Form 10-K.

Reportable Segments

We segregate our business into two reportable segments: the Renewables segment and the Heavy Civil and Industrial (“Specialty Civil”) segment. See *Note 13. Segments* for a description of the reportable segments and their operations.

Basis of Accounting and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with GAAP. The preparation of the consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Key estimates include: the recognition of revenue and project profit or loss (which the Company defines as project revenue less project costs of revenue), in particular, on construction contracts accounted for under the percentage-of completion method, for which the recorded amounts require

estimates of costs to complete projects, ultimate project profit and the amount of probable contract price adjustments as inputs; allowances for doubtful accounts; accrued self-insured claims; other reserves and accruals; accounting for income taxes; and the estimated impact of contingencies and ongoing litigation. While management believes that such estimates are reasonable when considered in conjunction with the Company's consolidated financial position and results of operations, actual results could differ materially from those estimates.

“Emerging Growth Company” Reporting Requirements:

The Company qualifies as an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”). For as long as a company is deemed to be an “emerging growth company,” it may take advantage of specified reduced reporting and other regulatory requirements that are generally unavailable to other public companies. Among other things, we are not required to provide an auditor attestation report on the assessment of the internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002. Section 107 of the JOBS Act also provides that an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We would cease to be an “emerging growth company” upon the earliest of:

- the last day of the fiscal year following July 6, 2021, the five-year anniversary of the completion of M III's IPO;
- the last day of the fiscal year in which our total annual gross revenues exceed \$1.07 billion;
- the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt securities; or
- the date on which we become a “large accelerated filer,” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our common stock held by nonaffiliates exceeds \$700 million as of the last day of our most recently completed second fiscal quarter.

We continue to monitor our status as an “emerging growth company” and are currently preparing for, and expect to be ready to comply with, the additional reporting and regulatory requirements that will be applicable to us when we cease to qualify as an “emerging growth company.”

Revenue Recognition

Revenue under construction contracts is accounted for under the percentage-of-completion method of accounting. Under the percentage-of-completion method, the Company estimates profit as the difference between total estimated revenue and total estimated cost of a contract and recognizes that profit over the contract term based on costs incurred. Contract costs include all direct materials, labor and subcontracted costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, depreciation and the operational costs of capital equipment. The Company also has unit-price contracts that were not significant as of March 31, 2019.

The estimation process for revenue recognized under the percentage-of-completion method is based on the professional knowledge and experience of the Company's project managers, engineers and financial professionals. Management reviews regularly, estimates of contract revenue and costs on an ongoing basis. Changes in job performance, job conditions and management's assessment of expected contract settlements are factors that influence estimates of total contract value and total costs to complete those contracts and, therefore, the Company's profit recognition. Changes in these factors may result in revisions to costs and income, and their effects are recognized in the period in which the revisions are determined, which could materially affect the Company's results of operations in the period in which such changes are recognized.

Revenue derived from projects billed on a fixed-price basis totaled 90.2% and 81.0% of consolidated revenue from operations for the three months ended March 31, 2019 and 2018, respectively. Revenue and related costs for construction contracts billed on a time and materials basis are recognized as the services are rendered. Revenue derived from projects billed on a time and materials basis also accounted for under the percentage of completion method totaled 9.8% and 19.0% of consolidated revenue from operations for the three months ended March 31, 2019 and 2018, respectively.

For an approved change order which can be reliably estimated as to price, the anticipated revenues and costs associated with the change order are added to the total contract value and total estimated costs of the project, respectively. When costs are incurred for a) an unapproved change order which is probable to be approved or b) an approved change order which cannot be reliably estimated as to price, the total anticipated costs of the change order are added to both the total contract

value and total estimated costs for the project. Once a change order becomes approved and reliably estimable, any margin related to the change order is added to the total contract value of the project. The Company actively engages in substantive meetings with its customers to complete the final approval process and generally expects these processes to be completed within a year. The amounts ultimately realized upon final acceptance by its customers could be higher or lower than such estimated amounts.

Provisions for losses on uncompleted contracts are made in the period in which such losses become evident. The Company may incur costs subject to change orders, whether approved or unapproved by the customer, and/or claims related to certain contracts. Management determines the probability that such costs will be recovered based upon engineering studies and legal opinions, past practices with the customer and specific discussions, correspondence and/or preliminary negotiations with the customer.

Classification of Construction Contract-Related Assets and Liabilities

Contract costs include all direct subcontract, material, and labor costs, and those indirect costs related to contract performance, such as indirect labor, supplies, tools, insurance, repairs, maintenance, communications, and use of Company-owned equipment. Contract revenues are earned and matched with related costs as incurred.

Costs and estimated earnings in excess of billings on uncompleted contracts are presented as a current asset in the accompanying consolidated balance sheets, and billings in excess of costs and estimated earnings on uncompleted contracts are presented as a current liability in the accompanying consolidated balance sheets. The Company's contracts vary in duration, with the duration of some larger contracts exceeding one year. Consistent with industry practices, the Company includes the amounts realizable and payable under contracts, which may extend beyond one year, in current assets and current liabilities. These balances are generally settled within one year.

New Accounting Pronouncements

The effective dates shown in the following pronouncements are based on the Company's current status as an "Emerging Growth Company".

In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance on the recognition of revenue from contracts with customers. The core principle of the guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services. To achieve this core principle, the guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance addresses several areas including transfer of control, contracts with multiple performance obligations, and costs to obtain and fulfill contracts. The guidance also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued additional guidance deferring the effective date for one year while allowing entities the option to adopt one year early. For public companies, the guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that annual reporting period. The guidance will be effective for our fiscal year 2019 annual financial statements and for interim periods beginning in fiscal year 2020. The Company continues to evaluate the impact the adoption of this new standard will have on its consolidated financial statements. Under the guidance there are two acceptable adoption methods: (i) full retrospective adoption to each prior reporting period presented with the option to elect certain practical expedients; or (ii) modified retrospective adoption with the cumulative effect of initially applying the guidance recognized at the date of initial application and providing certain additional disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which is effective for annual reporting periods beginning after December 15, 2018. Under ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: 1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and 2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 required entities to adopt the new leases standard using a modified retrospective method and initially apply the related guidance at the beginning of the earliest period presented in the financial statements. During July 2018, the FASB issued ASU 2018-11, which allows for an additional and optional transition method under which an entity would record a cumulative-effect adjustment at the beginning of the period of adoption. See *Note 10. Commitments and Contingencies* for additional information about our leases. The new guidance will be effective for our fiscal year 2020 annual financial statements and for the interim statements beginning in fiscal year 2020.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement, which eliminates certain disclosure requirements for recurring and non-recurring fair value measurements, such as the amount of and reason for transfers between Level 1 and Level 2 of the fair value hierarchy, and adds new disclosure requirements for Level 3 measurements. This ASU is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted for any eliminated or modified disclosures. Certain disclosures per this ASU are required to be applied on a retrospective basis and others on a prospective basis. The Company is currently assessing the impact these changes will have on its disclosure requirements for fair value measurement.

Management has evaluated other recently issued accounting pronouncements and does not believe that they will have a significant impact on the financial statements and related disclosures.

Note 2. Merger and Acquisition

Merger and Recapitalization

The Merger, as described in *Note 1. Business, Basis of Presentation and Significant Accounting Policies*, has been accounted for as a reverse recapitalization in accordance with U.S. GAAP. As such, IEA Services is treated as the continuing company and M III is treated as the “acquired” company for financial reporting purposes. This determination was primarily based on IEA Services’ operations comprising substantially all of the ongoing operations of the post-combination company, M III directors not constituting a majority of the Board of Directors of the post-combination company, IEA Services’ senior management comprising substantially all of the senior management of the post-combination company and the Seller holding a 48.3% voting interest in the Company, while no single M III shareholder held more than a 20% voting interest. Accordingly, for accounting purposes, the Merger is treated as the equivalent of IEA Services issuing stock for the net assets of M III, accompanied by a recapitalization. The net assets of M III are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Merger are the historical operations of IEA Services.

The amount of merger consideration paid at the Closing Date to IEA (the “Merger Consideration”) was \$81.4 million in cash, and 10,428,500 shares of common stock and 34,965 shares of Series A Preferred Stock with an aggregate stated value of \$126.3 million at the Closing Date. Immediately following the Closing, Seller owned approximately 48.3% of the Company’s common stock and other stockholders owned approximately 51.7% of the Company’s outstanding common stock. The Merger Consideration was subject to adjustment based on final determinations of IEA Services’ closing date working capital and indebtedness, which determination was finalized approximately 45 days after the Closing Date with minimal impact to the Merger Consideration as calculated on the Closing Date of the Merger. As of March 31, 2019, the Company received \$2.8 million from the Seller escrow account related to lower transaction costs incurred in the Merger.

Pursuant to the Merger Agreement, the Company is required to issue to the Seller up to an additional 9,000,000 common shares in the aggregate based upon satisfaction of EBITDA targets for 2018 and 2019. See *Note 8. Fair Value of Financial Instruments* for further discussion.

Acquisitions

CCS

On September 25, 2018, IEA Services acquired CCS for \$106.6 million in cash. The Company financed this acquisition through borrowing on its new credit facility as discussed in *Note 9. Debt*.

The wholly-owned subsidiaries of CCS, Saiia and the ACC Companies, generally enter into long-term contracts with both government and non-government customers to provide EPC services for environmental, heavy civil and mining projects. As discussed in *Note 1. Business, Basis of Presentation and Significant Accounting Policies*, this acquisition is being accounted for as a business combination under the acquisition method of accounting.

William Charles

On November 2, 2018, IEA Services acquired William Charles for \$77.7 million, consisting of \$73.2 million in cash and \$4.5 million of the Company's common stock (477,621 shares of common stock at \$9.45 share price). The Company financed this acquisition through borrowing on its new credit facility as discussed in *Note 9. Debt*.

William Charles generally enters into long-term contracts with both government and non-government customers to provide EPC services for rail civil infrastructure, environmental and heavy civil projects. As discussed in *Note 1. Business, Basis of Presentation and Significant Accounting Policies*, this acquisition is being accounted for as a business combination under the acquisition method of accounting.

The following table summarizes the provisional amounts recognized for assets acquired and liabilities assumed as of the acquisition date at fair value. The estimated values are not yet finalized (see below) and are subject to potentially significant changes. We will finalize the amounts recognized for both acquisitions as we obtain the information necessary to complete the analyses, such as appraisal information for property, plant and equipment and the accounting for income taxes. We expect to finalize these amounts as soon as possible, but no later than one year from the acquisition date.

| Preliminary identifiable assets acquired and liabilities assumed (in thousands) | CCS⁽¹⁾ | William Charles⁽²⁾ |
|--|--------------------------|--------------------------------------|
| Cash | \$ 6,413 | \$ 6,641 |
| Accounts Receivable | 58,041 | 69,740 |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 9,512 | 16,095 |
| Other current assets | 1,813 | 7,999 |
| Property, plant and equipment | 59,952 | 47,899 |
| Intangible assets: | | |
| Customer relationships | 19,500 | 7,000 |
| Backlog | 8,400 | 5,500 |
| Tradename | 8,900 | 4,500 |
| Deferred income taxes | (2,361) | — |
| Other non-current assets | 134 | 75 |
| Accounts payable and accrued liabilities | (25,219) | (60,962) |
| Billings in excess of costs and estimated earnings on uncompleted contracts | (14,194) | (14,810) |
| Debt, net of cash acquired | (52,257) | (15,672) |
| Capital lease obligations | (1,124) | — |
| Other liabilities | (704) | (907) |
| Total identifiable assets | 76,806 | 73,098 |
| Goodwill | 29,773 | 4,581 |
| Total purchase consideration | \$ 106,579 | \$ 77,679 |

- (1) The estimated acquisition-date fair values pertaining to CCS reflect the following significant changes from year ended December 31, 2018: an increase to property, plant and equipment of \$2.5 million, an increase to deferred income taxes of \$1.6 million, and a decrease to goodwill of \$4.1 million.
- (2) The estimated acquisition-date fair values pertaining to William Charles reflect the following significant changes from year ended December 31, 2018: a decrease to property, plant and equipment of \$1.2 million and an increase of goodwill of \$1.2 million.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the acquisitions of CCS and William Charles is related to the expected, specific synergies and other benefits that the Company believes will result from combining the operations of CCS and William Charles with the operations of IEA. This goodwill is deductible for income tax purposes, with the exception of \$2.9 million for CCS that is not deductible.

Impact of Acquisitions

The following table summarizes the results of operations included in the Company's condensed consolidated statement of operations for CCS and William Charles from their respective date of acquisition to March 31, 2019.

| (in thousands) | Three months ended March 31, 2019 | |
|-------------------|-----------------------------------|-----------------|
| | CCS | William Charles |
| Revenue | 55,509 | 54,401 |
| Net (loss) income | (2,458) | (2,369) |

The following table provides the supplemental unaudited pro forma total revenue and net income of the combined entity had the acquisition date of CCS and William Charles been the first day of our fiscal 2018:

| (in thousands) | Three months ended March 31, | |
|---|------------------------------|----------|
| | 2019 | 2018 |
| Revenue | 190,810 | 169,868 |
| Net loss | (22,889) | (27,713) |
| Net loss per common share - basic and diluted | (1.06) | (1.28) |

The amounts in the supplemental unaudited pro forma results apply the Company's accounting policies and reflect certain adjustments to, among other things, (i) exclude the impact of transaction costs incurred in connection with the acquisitions, (ii) include additional depreciation and amortization that would have been charged assuming the same fair value adjustments to property, plant and equipment and acquired intangibles had been applied on January 1, 2018 and (iii) include additional interest expense that would have been charged assuming the incremental borrowings the Company incurred to finance the acquisitions had been outstanding on January 1, 2018. Accordingly, these supplemental unaudited pro forma results have been prepared for comparative purposes only and are not intended to be indicative of the results of operations that would have occurred had the acquisitions actually occurred in the prior year period or indicative of the results of operations for any future period. In addition, these results do not include any potential operating efficiencies and cost savings.

Note 3. Earnings Per Share

The Company calculates earnings (loss) per share ("EPS") in accordance with ASC 260, *Earnings per Share*. Basic EPS is computed by dividing income (loss) available to common stockholders by the weighted average number of common shares of common stock outstanding during the period.

Income (loss) available to common stockholders is computed by deducting the dividends accumulated for the period on cumulative preferred stock from net income. If there is a net loss, the amount of the loss is increased by those preferred dividends.

Diluted EPS assumes the dilutive effect of (i) contingently issuable earn-out shares, (ii) Series A cumulative convertible preferred stock, using the if-converted method, and (iii) the assumed exercise of in-the-money stock options and warrants and the assumed vesting of outstanding restricted stock units ("RSUs"), using the treasury stock method.

Whether the Company has net income or a net loss determines whether potential issuances of common stock are included in the diluted EPS computation or whether they would be anti-dilutive. As a result, if there is a net loss, diluted EPS is computed in the same manner as basic EPS is computed. Similarly, if the Company has net income but its preferred dividend adjustment made in computing income available to common stockholders results in a net loss available to common stockholders, diluted EPS would be computed in the same manner as basic EPS.

The calculations of basic and diluted EPS, are as follows (\$ in thousands):

| | Three Months Ended | |
|---|---------------------------|---------------|
| | March 31, | |
| | 2019 | 2018 |
| Numerator: | | |
| Net loss | (22,889) | (17,392) |
| Less: Convertible Preferred Share dividends | (525) | — |
| Net loss available to common stockholders | (23,414) | (17,392) |
| Denominator: | | |
| Weighted average common shares outstanding - basic and diluted ⁽¹⁾ | 22,188,757 | 21,577,650 |
| Anti-dilutive: ⁽²⁾ | | |
| Convertible preferred shares | 5,045,149 | 3,959,797 |
| RSUs | 354,106 | — |
| Basic EPS | (1.06) | (0.81) |
| Diluted EPS | (1.06) | (0.81) |

(1) The contingent earn-out shares were not included at March 31, 2019 and 2018, respectively. See *Note 8. Fair Value of Financial Instruments* for discussion regarding the Company's contingently issuable earn-out shares that were not potentially dilutive as of March 31, 2019.

(2) Warrants to purchase 8,480,000 shares of common stock at \$11.50 per share were outstanding at March 31, 2019 but were not potentially dilutive as the warrants' exercise price was greater than the average market price of the common stock during the period. 646,405 of vested and unvested Options and 169,494 of unvested RSUs were also not potentially dilutive as of March 31, 2019 as the respective exercise price or average stock price required for vesting of such award was greater than the average market price of the common stock during the period.

The calculation of weighted average shares outstanding during the periods preceding a reverse recapitalization generally requires the Company to use the capital structure of the entity deemed to be the acquirer for accounting purposes to calculate earnings per share. However, as a limited liability company, IEA Services had no outstanding shares prior to the Merger. Therefore, the weighted average shares outstanding for all comparable prior periods preceding the Merger is based on the capital structure of the acquired company, as management believes that is the most useful measure.

| | Shares outstanding |
|---|---------------------------|
| Company (f/k/a M III Acquisition Corp.) shares outstanding as of December 31, 2017 | 19,210,000 |
| Redemption of shares by M III stockholders prior to the merger transaction | (7,967,165) |
| Common shares issued pursuant to Advisor Commitment Agreements, net of forfeited sponsor founder shares | (93,685) |
| Shares issued to Infrastructure and Energy Alternatives, LLC/Seller | 10,428,500 |
| IEA shares outstanding as of March 26, 2018 | 21,577,650 |

At the closing of the Merger, 34,965 shares of Series A Preferred Stock were issued to Seller with an initial stated value of \$1,000 per share, for total consideration of \$35.0 million. Dividends on each share of Series A Preferred Stock shall accrue at a rate of 6% per annum during the period from the closing date until the 18-month anniversary of the closing date and 10% per annum thereafter, with such dividends payable quarterly in cash. These shares are convertible to common shares under certain circumstances and have been included above in the dilutive calculation. As of March 31, 2019, the Board has declared a cumulative \$1,050 in dividends to Holders of Series A Preferred Stock.

Stock Compensation

Under guidance of ASC Topic 718 “Compensation — Stock Compensation”, stock-based compensation expense is measured at the date of grant, based on the calculated fair value of the stock-based award, and is recognized as expense over the employee’s requisite service period (generally the vesting period of the award).

The fair value of the RSUs was based on the closing market price of our common stock on the date of the grant. Stock compensation expense for the RSUs is being amortized using the straight-line method over the service period. For the three months ended March 31, 2019 and 2018, we recognized \$1.0 million and \$0.0 million in compensation expense, respectively.

Note 4. Accounts Receivable, Net of Allowance

The following table provides details of accounts receivable, net of allowance as of the dates indicated (in thousands):

| | March 31, 2019 | December 31, 2018 |
|---------------------------------------|-----------------------|--------------------------|
| Contract receivables | \$ 90,969 | \$ 161,408 |
| Contract retainage | 53,085 | 64,000 |
| Accounts receivable, gross | 144,054 | 225,408 |
| Less: allowance for doubtful accounts | (72) | (42) |
| Accounts receivable, net | <u>\$ 143,982</u> | <u>\$ 225,366</u> |

Included in contract receivables as of March 31, 2019, is an unapproved change orders of approximately \$18.0 million for which the Company is pursuing settlement through dispute resolution.

Activity in the allowance for doubtful accounts for the periods indicated is as follows (in thousands):

| | Three Months Ended | |
|--|---------------------------|---------------|
| | March 31, | |
| | 2019 | 2018 |
| Allowance for doubtful accounts at beginning of period | \$ 42 | \$ 216 |
| Plus: (reduction in) provision for allowances | 30 | — |
| Less: write-offs, net of recoveries | — | — |
| Allowance for doubtful accounts at period end | <u>\$ 72</u> | <u>\$ 216</u> |

Note 5. Contracts in Progress

Contracts in progress were as follows as of the dates indicated (in thousands):

| | March 31, 2019 | December 31, 2018 |
|---|-----------------------|--------------------------|
| Costs on contracts in progress | \$ 910,077 | \$ 935,820 |
| Estimated earnings on contracts in progress | 62,478 | 76,883 |
| Revenue on contracts in progress | 972,555 | 1,012,703 |
| Less: billings on contracts in progress | (998,298) | (1,027,816) |
| Net underbillings | <u>\$ (25,743)</u> | <u>\$ (15,113)</u> |

The above amounts have been included in the accompanying Consolidated Balance Sheets under the following captions (in thousands):

| | March 31, 2019 | December 31, 2018 |
|---|-----------------------|--------------------------|
| Costs and estimated earnings in excess of billings on uncompleted contracts | \$ 59,526 | \$ 47,121 |
| Billings in excess of costs and earnings on uncompleted contracts | (85,269) | (62,234) |
| Net underbillings | <u>\$ (25,743)</u> | <u>\$ (15,113)</u> |

Billings in excess of costs and earnings on uncompleted contracts includes a provision for loss of \$0.3 million and \$1.4 million as of March 31, 2019 and December 31, 2018, respectively.

The Company recognizes a contract asset within costs and estimated earnings in excess of billings on uncompleted contracts in the consolidated balance sheet for revenue earned related to unapproved change orders that are probable of recovery. For the quarter ended March 31, 2019 and the year ended December 31, 2018, the Company had unapproved change orders of \$29.7 million and \$45.0 million, respectively.

Note 6. Property, Plant and Equipment, Net

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

| | March 31, 2019 | December 31, 2018 |
|--|-----------------------|--------------------------|
| Buildings and leasehold improvements | \$ 6,778 | \$ 4,614 |
| Land | 18,460 | 19,394 |
| Construction equipment | 177,891 | 175,298 |
| Office equipment, furniture and fixtures | 2,805 | 2,994 |
| Vehicles | 4,455 | 4,991 |
| | <u>210,389</u> | <u>207,291</u> |
| Accumulated depreciation | (39,496) | (31,113) |
| Property, plant and equipment, net | <u>\$ 170,893</u> | <u>\$ 176,178</u> |

Depreciation expense of property, plant and equipment was \$8,476 and \$1,942 for the period ended March 31, 2019 and 2018, respectively.

Note 7. Goodwill and Intangible Assets, Net

The following table provides the changes in the carrying amount of goodwill for 2019 and 2018:

| (in thousands) | Goodwill |
|-------------------------|-----------|
| January 1, 2018 | \$ 3,020 |
| Acquisitions | 37,237 |
| December 31, 2018 | \$ 40,257 |
| Acquisition adjustments | (2,884) |
| March 31, 2019 | \$ 37,373 |

Intangible assets, net consisted of the following as of the dates indicated:

| (\$ in thousands) | March 31, 2019 | | | Weighted Average Remaining Life | December 31, 2018 | | | Weighted Average Remaining Life |
|------------------------|-----------------------|--------------------------|---------------------|---------------------------------|-----------------------|--------------------------|---------------------|---------------------------------|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | |
| Customer relationships | \$ 26,500 | \$ (1,856) | \$ 24,644 | 7 years | \$ 27,000 | \$ (814) | \$ 26,186 | 7 years |
| Trade name | 13,400 | (1,294) | 12,106 | 5 years | 13,400 | (575) | 12,825 | 5 years |
| Backlog | 13,900 | (3,316) | 10,584 | 2 years | 13,400 | (1,537) | 11,863 | 2 years |
| | <u>\$ 53,800</u> | <u>\$ (6,466)</u> | <u>\$ 47,334</u> | | <u>\$ 53,800</u> | <u>\$ (2,926)</u> | <u>\$ 50,874</u> | |

Amortization expense associated with intangible assets for the period ended March 31, 2019 and 2018 totaled \$3.5 million and \$0.1 million, respectively.

The following table provides the annual intangible amortization expense currently expected to be recognized for the years 2019 through 2023:

| (in thousands) | Remainder of 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|-------------------|-----------|----------|----------|----------|
| Amortization expense | \$ 10,062 | \$ 11,837 | \$ 6,466 | \$ 6,466 | \$ 5,841 |

Note 8. Fair Value of Financial Instruments

The Company applies ASC 820, Fair Value Measurement (“ASC 820”), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company’s principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity’s own assumptions based on market data and the entity’s judgments about the assumptions that market participants would use in pricing the asset or liability, and are to be developed based on the best information available in the circumstances.

The valuation hierarchy is composed of three levels. The classification within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The levels within the valuation hierarchy are described below:

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

The following table sets forth information regarding the Company's assets measured at fair value on a recurring basis (in thousands):

| | Amount recorded on balance sheet | Fair Value Measurements at Reporting Date | | |
|--|----------------------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Liabilities as of December 31, 2018 | | | | |
| Contingent consideration | 23,082 | — | — | 23,082 |

| | Amount recorded on balance sheet | Fair Value Measurements at Reporting Date | | |
|---|----------------------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Liabilities as of March 31, 2019 | | | | |
| Contingent consideration | 23,082 | — | — | 23,082 |

The following is a reconciliation of the beginning and ending balances for the periods indicated of recurring fair value measurements using Level 3 inputs (in thousands):

| | | |
|--------------------------------------|----|---------------|
| Beginning Balance, December 31, 2018 | \$ | 23,082 |
| Fair value adjustment | | — |
| Ending Balance, March 31, 2019 | | <u>23,082</u> |

Contingent Consideration

Pursuant to the Merger Agreement, the Company shall issue to the Seller up to an additional 9,000,000 common shares of common stock in the aggregate, which shall be fully earned if the final 2019 adjusted EBITDA targets are achieved. The Company recorded the contingent consideration at fair value as a liability by using a Monte Carlo Simulation with inputs of a risk rate premium, a peer group EBITDA volatility and a stock price volatility. The calculation derived a fair value of the liability based on 9,000,000 shares of common stock. There have been no significant changes to inputs for the three months ended March 31, 2019, and therefore no adjustment was recorded.

Other financial instruments of the Company not listed in the table consist of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities that approximate their fair values. Additionally, management believes that the outstanding recorded balance on the line of credit and long-term debt, further discussed in *Note 9. Debt*, approximates fair value due to their floating interest rates.

Note 9. Debt

Debt consists of the following obligations as of:

| | <u>March 31, 2019</u> | <u>December 31, 2018</u> |
|--|-----------------------|--------------------------|
| Term loan | 292,500 | 300,000 |
| Line of credit | 47,900 | 46,500 |
| Commercial equipment notes | 5,133 | 5,341 |
| Total principal due for long-term debt | 345,533 | 351,841 |
| Unamortized debt discount and issuance costs | (22,295) | (23,534) |
| Less: Current portion of long-term debt | (32,435) | (32,580) |
| Long-term debt, less current portion | <u>290,803</u> | <u>295,727</u> |

Interest on term loan borrowings accrues at an interest rate of, at the Company's option, (x) LIBOR plus a margin of 6.25% or (y) an alternate base rate plus a margin of 5.25%. Interest on revolving loans accrues at an interest rate of, at the Company's option, (x) LIBOR plus a margin of 4.25% or (y) the applicable base rate plus a margin of 3.25%. The weighted average interest rate on our debt as of March 31, 2019 and December 31, 2018, was 8.57% and 8.82%, respectively.

Letters of Credit and Surety Bonds

In the ordinary course of business, the Company is required to post letters of credit and surety bonds to customers in support of performance under certain contracts. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit or surety bond commits the issuer to pay specified amounts to the holder of the letter of credit or surety bond under certain conditions. If the letter of credit or surety bond issuer were required to pay any amount to a holder, the Company would be required to reimburse the issuer, which, depending upon the circumstances, could result in a charge to earnings. As of March 31, 2019, and December 31, 2018, the Company was contingently liable under letters of credit issued under its revolving credit facility or its old credit facility, respectively, in the amount of \$2,080 and \$3,006, respectively, related to projects. In addition, as of March 31, 2019 and December 31, 2018, the Company had outstanding surety bonds on projects of \$1,778,246 and \$1,681,983, respectively.

Contractual Maturities

Contractual maturities of the Company's debt and capital lease obligations as of March 31, 2019 (in thousands):

| | | |
|-------------------------------|-----------|----------------|
| Remainder of 2019 | \$ | 42,003 |
| 2020 | | 56,273 |
| 2021 | | 51,683 |
| 2022 | | 47,513 |
| 2023 | | 81,564 |
| Thereafter | | 150,077 |
| Total contractual obligations | <u>\$</u> | <u>429,113</u> |

Note 10. Commitments and Contingencies**Capital Leases**

The Company has obligations, exclusive of associated interest, under various capital leases for equipment totaling \$83.6 million and \$63.5 million at March 31, 2019 and December 31, 2018, respectively. Gross property under this capitalized lease agreement at March 31, 2019 and December 31, 2018, totaled \$118.5 million and \$76.9 million, less accumulated depreciation of \$17.7 million and \$10.1 million, respectively, for net balances of \$100.8 million and \$66.8 million, respectively. Depreciation of assets held under the capital leases is included in cost of revenue on the Consolidated Statements of Operations.

Operating Leases

In the ordinary course of business, the Company enters into non-cancelable operating leases for certain of its facility, vehicle and equipment needs, including related party leases. See *Note 14. Related Party Transactions*. Rent and related expense for operating leases that have non-cancelable terms totaled approximately \$3,712 and \$388 for the three months ended March 31, 2019 and 2018, respectively.

Sale-leaseback Transaction

On March 13, 2019, the Company completed a sale-leaseback transaction related to certain assets that were acquired as part of our recent acquisitions of approximately \$25.0 million. The payments related to this transaction are over a four year term and have been included as part of the contractual maturities table, See *Note 9. Debt*.

Note 11. Concentrations

The Company had the following approximate revenue and accounts receivable concentrations, net of allowances, for the periods ended:

| | Revenue % | | Accounts Receivable % | |
|-----------|--------------------|-------|-----------------------|-------------------|
| | Three Months Ended | | | |
| | March 31, | | | |
| | 2019 | 2018 | March 31, 2019 | December 31, 2018 |
| Company A | * | 18.6% | 12.2% | 20.0% |
| Company B | 11.9% | * | * | * |
| Company C | 21.1% | * | 21.0% | 19.0% |
| Company D | * | 16.6% | * | * |
| Company E | * | 25.8% | * | * |

* Amount was not above 10% threshold

Note 12. Income Taxes

The Company's statutory federal tax rate is 21.00% for the periods ended March 31, 2019 and 2018, respectively. State tax rates for the same period vary among states and range from approximately 0.8% to 12.0%. A small number of states do not impose an income tax.

The effective tax rates for the three month period ended March 31, 2019 and 2018 were 27.4% and 16.8%, respectively. The difference between the Company's effective tax rate and the federal statutory rate primarily results from current state taxes and non-deductible expenses. There were no changes in uncertain tax positions during the periods ended March 31, 2019 and 2018.

Note 13. Segments

The Company operated as one reportable segment for 2018 and evaluated the business as a renewable construction company. In late 2018, the Company completed two significant acquisitions that construct projects outside of the renewable market. As of March 31, 2019, we operate our business as two reportable segments: the Renewables segment and the Specialty Civil segment. The 2018 results for the Specialty Civil segment was not meaningful.

Each of our reportable segments is comprised of similar business units that specialize in services unique to the market that segment serves. The classification of revenue and gross profit for segment reporting purposes can at times require judgment on the part of management. Our segments may perform services across industries or perform joint services for customers in multiple industries. To determine reportable segment gross profit, certain allocations, including allocations of shared and indirect costs, such as facility costs, equipment costs and indirect operating expenses, were made based on segment revenue.

Separate measures of the Company's assets and cash flows by reportable segment, including capital expenditures, are not produced or utilized by management to evaluate segment performance. A substantial portion of the Company's fixed assets are owned by and accounted for in our equipment company, including operating machinery, equipment and vehicles, as well as office equipment, buildings and leasehold improvements, and are used on an interchangeable basis across our reportable segments. As such, for reporting purposes, total under/over absorption of costs consisting primarily of depreciation is allocated to the Company's two reportable segments based on segment revenue.

The following is a brief description of the Company's reportable segments:

The Renewables segment operates throughout the United States and specializes in a range of services that include full EPC project delivery, design, site development, construction, installation and restoration of infrastructure services for the wind and solar industries.

The Specialty Civil segment operates throughout the United States and specializes in a range of services that include:

- Heavy civil construction services such as high-altitude road and bridge construction, specialty paving, industrial maintenance and other local, state and government projects.
- Environmental remediation services such as site development, environmental site closure and outsourced contract mining and coal ash management services.
- Rail Infrastructure services such as planning, creation and maintenance of infrastructure projects for major railway and intermodal facilities construction.

Segment Revenue

Revenue by segment for the three months ended March 31, 2019 were as follows:

| (in thousands) | For the three months ended March 31, | | For the three months ended March 31, | |
|-----------------|--------------------------------------|--------------------|--------------------------------------|--------------------|
| | 2019 | | 2018 | |
| Segment | Revenue | % of Total Revenue | Revenue | % of Total Revenue |
| Renewables | \$ 75,060 | 39.3% | \$ 50,135 | 100.0% |
| Specialty Civil | 115,750 | 60.7% | — | — |
| Total revenue | <u>\$ 190,810</u> | <u>100.0%</u> | <u>\$ 50,135</u> | <u>100.0%</u> |

Segment Gross Profit

Gross profit by segment for the three months ended March 31, 2019 were as follows:

| (in thousands) | For the three months ended March 31, | | For the three months ended March 31, | |
|--------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|
| | 2019 | | 2018 | |
| Segment | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin |
| Renewables | \$ 2,187 | 2.9% | \$ (3,085) | (6.2)% |
| Specialty Civil | 4,586 | 4.0% | — | —% |
| Total gross profit | <u>\$ 6,773</u> | <u>3.5%</u> | <u>\$ (3,085)</u> | <u>(6.2)%</u> |

Note 14. Related Party Transactions

Credit Support Fees

The Company had debt facilities and other obligations under surety bonds and stand-by letters of credit under the old credit facility that were guaranteed by Oaktree Power Opportunities Fund III Delaware, L.P. (“Oaktree”). The Company paid a fee for those guarantees based on the total amount outstanding. For the three months ended March 31, 2019 and 2018, the Company expense related to these fees was \$0 and \$231, respectively.

Clinton Lease Agreement

On October 20, 2017, the Company enacted a plan to restructure the ownership of a building and land which resulted in the transfer of ownership of such building and land from its consolidated subsidiary, WCI, to Clinton RE Holdings, LLC (Cayman) (“Cayman Holdings”), a directly owned subsidiary of the Seller. The lease has been classified as an operating lease with monthly payments through 2038. The Company's rent expense related to the lease during the three months ended March 31, 2019 and 2018, was \$178 and \$153, respectively.

Note 15. Subsequent Event

Second Amendment to Second Amended and Restated Credit and Guarantee Agreement

On May 15, 2019, the Company entered into a Second Amendment to Second Amended and Restated Credit and Guarantee Agreement with lenders constituting Required Lenders under the A&R Credit Agreement by and among the Company, Intermediate Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Revolving Agent, the Collateral Agent and the Lenders party thereto (the “Second Amendment”). Pursuant to the Second Amendment, the Required Lenders have agreed to reset the first lien net leverage ratio financial covenant level for the March 31, 2019 fiscal quarter end to 4.75:1.00. The Second Amendment also adds a covenant that requires the Company to enter into the Third A&R Credit Documents (as described below) on or before May 25, 2019. The failure to satisfy this covenant will result in the amendment to the financial covenant becoming null and void, cause the Company to be in technical default of the first lien net leverage ratio as of March 31, 2019 and result in all amounts outstanding under the A&R Credit Agreement to be currently payable.

On May 15, 2019, the Company entered into a Lender Support Agreement with lenders constituting Required Lenders under the A&R Credit Agreement by and among the Company, Intermediate Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Revolving Agent, the Collateral Agent and the Lenders party thereto. Pursuant to the Lender Support Agreement, the Required Lenders have agreed to enter into a Third Amendment and Restatement Agreement and Third Amended and Restated Credit Agreement (collectively, the “Third A&R Credit Documents”). The Third A&R Credit Documents will become effective upon, among other conditions, the Company obtaining equity financing with gross proceeds of not less than \$50.0 million and the Company paying to each lender that consents to the Third A&R Credit Documents a fee of 0.50% of the aggregate principal amount of revolving commitments and outstanding term loans of such lender on the effective date. The Company will also be required to pay other customary fees and expenses. The Company expects the Third A&R Credit Documents to become effective on May 20, 2019.

Equity Commitment Agreement

On May 14, 2019, the Company entered into an Equity Commitment Agreement (the “Equity Agreement”), by and among the Company and the commitment parties thereto (the “Commitment Parties”), pursuant to which the Company has agreed to issue and sell to the Commitment Parties, and the Commitment Parties have agreed to purchase from the Company, for an amount in cash equal to \$50.0 million, an aggregate of 50,000 shares of newly created Series B preferred stock of the Company, par value \$0.0001 per share (the “Series B Preferred Stock”) and warrants exercisable into an aggregate of 3,405,424 shares of the Company’s common stock (the “Warrants”), subject to adjustment. The Company expects the transactions under the Equity Agreement to close around May 20, 2019.

In addition to the Warrants issued at closing, the Company may be required to issue additional warrants depending upon EBITDA as defined in the Equity Agreement (calculated on a last twelve month basis) on the last calendar day of each month during the twelve month period commencing on the first anniversary of the closing date and ending on the second anniversary of the closing date. The Commitment Parties will also be issued additional Warrants to the extent additional shares

of common stock are issued pursuant to that certain Agreement and Plan of Merger, dated November 3, 2017, by and among the Company, IEA Energy Services, LLC, Infrastructure and Energy Alternatives, LLC, and the other parties thereto, upon conversion of Series A Preferred Stock, and in the event of exercises of certain other warrants and equity rights. The number of shares of common stock into which the Warrants may be exercised is limited as necessary to comply with the requirements of NASDAQ.

No dividends shall be paid on the Series B Preferred Stock unless as, if and when declared by the Board. Commencing from and after the closing of the sale of the Series B Preferred until redeemed, dividends will accumulate (daily on the basis of a 360-day year consisting of twelve 30-day periods except for partial periods) at the Accumulated Dividend Rate on the stated value of the Series B Preferred Stock, and will increase the stated value of the Series B Preferred Stock on and effective as of each of March 31, June 30, September 30 and December 31 through redemption (each, a "Dividend Date") without any further action by the Board; provided, that, to the extent not prohibited by applicable law, and only as, if and when declared by the Board, dividends will be declared and paid in cash at the Cash Dividend Rate on the stated value, and will be payable in cash quarterly in arrears on the applicable Dividend Date. The Accumulated Dividend Rate means 18% per annum; provided that, during the period from the occurrence of a Deleveraging Event until the date that is two years from the occurrence of such Deleveraging Event, the Accumulated Dividend Rate shall instead be 15% per annum; provided, further, that, from and after the occurrence of any Non-Payment Event or Default Event and until the cure, resolution or waiver of such Non-Payment Event or Default Event, as the case may be, the Accumulated Dividend Rate shall be the Accumulated Dividend Rate as otherwise determined plus 2% per annum. The Cash Dividend Rate means 15% per annum; provided that, immediately after the occurrence of a Deleveraging Event, the Cash Dividend Rate shall instead be 13.5% per annum.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The forward-looking statements can be identified by the use of forward-looking terminology including "may," "should," "likely," "will," "believe," "expect," "anticipate," "estimate," "forecast," "seek," "target," "continue," "plan," "intend," "project," or other similar words. All statements, other than statements of historical fact included in this Quarterly Report, regarding expectations for future financial performance, business strategies, expectations for our business, future operations, liquidity positions, availability of capital resources, financial position, estimated revenues and losses, projected costs, prospects, plans, objectives and beliefs of management are forward-looking statements.

These forward-looking statements are based on information available as of the date of this Quarterly Report and our management's current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurance that such expectations will prove correct. Forward-looking statements should not be relied upon as representing our views as of any subsequent date. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- our ability to consummate the transactions under the Equity Agreement (defined below) and the Second Amendment (defined below);
- availability of commercially reasonable and accessible sources of liquidity;
- our ability to generate cash flow and liquidity to fund operations;
- the timing and extent of fluctuations in geographic, weather and operational factors affecting our customers, projects and the industries in which we operate;
- our ability to identify acquisition candidates, integrate acquired businesses and realize upon the expected benefits of the acquisition of CCS and William Charles;
- consumer demand;
- our ability to grow and manage growth profitably;
- the possibility that we may be adversely affected by economic, business, and/or competitive factors;
- market conditions, technological developments, regulatory changes or other governmental policy uncertainty that affects us or our customers;
- our ability to manage projects effectively and in accordance with management estimates, as well as the ability to accurately estimate the costs associated with our fixed price and other contracts, including any material changes in estimates for completion of projects;
- the effect on demand for our services and changes in the amount of capital expenditures by customers due to, among other things, economic conditions, commodity price fluctuations, the availability and cost of financing, and customer consolidation;
- the ability of customers to terminate or reduce the amount of work, or in some cases, the prices paid for services, on short or no notice;
- customer disputes related to the performance of services;
- disputes with, or failures of, subcontractors to deliver agreed-upon supplies or services in a timely fashion;
- our ability to replace non-recurring projects with new projects;
- the impact of U.S. federal, local, state, foreign or tax legislation and other regulations affecting the renewable energy industry and related projects and expenditures;
- the effect of state and federal regulatory initiatives, including costs of compliance with existing and future safety and environmental requirements;
- fluctuations in maintenance, materials, labor and other costs;
- our beliefs regarding the state of the renewable wind energy market generally; and
- the "Risk Factors" described in our Annual Report on Form 10-K for the year ended December 31, 2018, and in our quarterly reports, other public filings and press releases.

We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Throughout this section, unless otherwise noted “IEA,” “Company,” “we,” “us,” and “our” refer to Infrastructure and Energy Alternatives, Inc. and its consolidated subsidiaries. Certain amounts in this section may not foot due to rounding.

“Emerging Growth Company” Status

The Condensed Consolidated Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and reflect the financial position, results of operations, and cash flows of IEA. IEA qualifies as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”). For as long as a company is deemed to be an “emerging growth company,” it may take advantage of specified reduced reporting and other regulatory requirements that are generally unavailable to other public companies. The JOBS Act also provides that an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period. Our financial statements may therefore not be comparable to those of companies that have adopted such new or revised accounting standards. See *Note 2. Summary of Significant Accounting Policies* of the Notes to Condensed Consolidated Financial Statements for more information on “emerging growth company” reduced reporting requirements and when we would cease to be an “emerging growth company.” We continue to monitor our status as an “emerging growth company” and are currently preparing, and expect to be ready, to comply with the additional reporting and regulatory requirements that will be applicable to us when we cease to qualify as an “emerging growth company.”

Overview

We are a leading diversified infrastructure construction company with specialized energy and heavy civil expertise throughout the United States. The Company specializes in providing complete engineering, procurement and construction services throughout the United States for the renewable energy, traditional power and civil infrastructure industries. These services include the design, site development, construction, installation and restoration of infrastructure. We are one of three Tier 1 providers in the wind energy industry and have completed more than 200 wind and solar projects in 35 states. Although the Company has historically focused on the wind industry, its recent acquisitions have expanded our construction capabilities and geographic footprint to create a diverse national platform of specialty construction capabilities in the areas of environmental remediation, industrial maintenance, specialty paving, heavy civil and rail infrastructure construction. We believe we have the ability to continue to expand these services because we are well-positioned to leverage our expertise and relationships in the wind energy business to provide complete infrastructure solutions in all areas.

As previously disclosed, the Company’s results for the year ended December 31, 2018 reflected the effect of multiple severe weather events on the Company’s wind business that began late in the third quarter and continued into the fourth quarter of 2018. These weather conditions had a significant impact on the construction of six wind projects across South Texas, Iowa, and Michigan, resulting in additional labor, equipment and material costs. Although these projects are all now in late stages of completion or completed, and we are collecting and continuing to collect on change orders relating to force majeure provisions of the contracts with respect to certain of these projects, we are continuing to feel the impacts of these events on our business, including with respect to our financial and liquidity positions and operating cash flows. In connection with the effects on the Company’s 2018 performance resulting from these adverse weather effects, the Company has engaged its lenders for the purpose of allowing the Company more flexibility in obtaining financing and in avoiding potential non-compliance with its first lien debt coverage ratio in the wake of its 2018 results. The Company and a majority in interest of its lenders have agreed to amend the A&R Credit Agreement to provide among other things, an increase in the first lien coverage ratio for the remainder of 2019 and flexibility for the Company to issue the Series B Preferred Stock. See *“Recent Developments.”*

In order to satisfy the conditions to effectiveness of the Third A&R Credit Documents, the Company entered into the Equity Agreement, pursuant to which the Company has agreed to issue and sell to the Commitment Parties, and the Commitment Parties have agreed to purchase from the Company, for an amount in cash equal to \$50.0 million in the aggregate, an aggregate of 50,000 shares of newly created Series B preferred stock of the Company, par value \$0.0001 per share (the “Series B Preferred Stock”) and warrants exercisable into an aggregate of 3,405,424 shares of the Company’s common stock (the “Warrants”) subject to adjustment. The Company expects the transactions under the Equity Agreement to close around May 20, 2019.

We believe that these steps, if consummated, will improve our liquidity position. There can be no assurance that we will be able to consummate these transactions doing or that doing so will provide sufficient liquidity for the Company's ongoing needs. Please see "Item 1A. Risk Factors" in Part II to this Form 10-Q.

Recent Developments

Second Amendment to Second Amended and Restated Credit and Guarantee Agreement

On May 15, 2019, the Company entered into a Second Amendment to Second Amended and Restated Credit and Guarantee Agreement with lenders constituting Required Lenders under the A&R Credit Agreement by and among the Company, Intermediate Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Revolving Agent, the Collateral Agent and the Lenders party thereto (the "Second Amendment"). Pursuant to the Second Amendment, the Required Lenders have agreed to reset the first lien net leverage ratio financial covenant level for the March 31, 2019 fiscal quarter end to 4.75:1.00. The Second Amendment also adds a covenant that requires the Company to enter into the Third A&R Credit Documents (as described below) on or before May 25, 2019. The failure to satisfy this covenant will result in the amendment to the financial covenant becoming null and void, cause the Company to be in technical default of the first lien net leverage ratio as of March 31, 2019 and result in all amounts outstanding under the A&R Credit Agreement to be currently payable.

Equity Commitment Agreement

On May 14, 2019, the Company entered into an Equity Commitment Agreement (the "Equity Agreement"), by and among the Company and the Commitment Parties thereto, pursuant to which the Company has agreed to issue and sell to the Commitment Parties, and the Commitment Parties have agreed to purchase from the Company, for an amount in cash equal to \$50.0 million, an aggregate of 50,000 shares of newly created Series B preferred stock of the Company, par value \$0.0001 per share (the "Series B Preferred Stock") and warrants exercisable into an aggregate of 3,405,424 shares of the Company's common stock (the "Warrants"), subject to adjustment. The Company expects the transactions under the Equity Agreement to close around May 20, 2019.

Company Highlights

Our long-term diversification and growth strategy has been to broaden our solar, power generation, and civil infrastructure capabilities and geographic presence and to expand the services we provide within our existing business areas. We took important steps in late 2018 by deepening our capabilities and entering new sectors that are synergistic with our existing capabilities and product offerings.

On March 26, 2018, we consummated the Merger pursuant to an Agreement and Plan of Merger, dated November 3, 2017, by and among M III, IEA Services, a Delaware limited liability company, Infrastructure and Energy Alternatives, LLC (the "Seller"), a Delaware limited liability company and the parent of IEA Services immediately prior to such time, and the other parties thereto, which provided for, among other things, the Merger of IEA Services with and into a wholly-owned subsidiary of M III. See *Note 2. Merger and Acquisition* included in Item 1 of this Quarterly Report on Form 10-Q.

On September 25, 2018, we acquired CCS, a leading provider of environmental and industrial engineering services. The wholly-owned subsidiaries of CCS, Saiia and the ACC Companies, generally enter into long-term contracts with both government and non-government customers to provide EPC services for environmental, heavy-civil and mining projects. We believe our acquisition of Saiia and the ACC Companies will provide IEA with a strong and established presence in the environmental and industrial engineering markets, enhanced civil construction capabilities and an expanded domestic footprint in less-seasonal Southeast, West and Southwest markets.

On November 2, 2018, we acquired William Charles, a leader in engineering and construction solutions for the rail infrastructure and heavy civil construction industries. We believe our acquisition of William Charles will provide IEA with a market leading position in the attractive rail civil infrastructure market and continue to bolster our further growth in the heavy civil and construction footprint across the Midwest and Southwest.

We believe that through the Merger and the acquisitions above that the Company has transformed its business into a diverse national platform of specialty construction capabilities with market leadership in niche markets, including renewables, environmental remediation and industrial maintenance services, heavy civil and rail.

Economic, Industry and Market Factors

We closely monitor the effects that changes in economic and market conditions may have on our customers. General economic and market conditions can negatively affect demand for our customers' products and services, which can lead to reductions in our customers' capital and maintenance budgets in certain end-markets. In the face of increased pricing pressure, we strive to maintain our profit margins through productivity improvements and cost reduction programs. Other market, regulatory and industry factors could also affect demand for our services, such as:

- changes to our customers' capital spending plans;
- mergers and acquisitions among the customers we serve;
- access to capital for customers in the industries we serve;
- new or changing regulatory requirements or other governmental policy uncertainty;
- economic, market or political developments; and
- changes in technology, tax and other incentives.

While we actively monitor economic, industry and market factors that could affect our business, we cannot predict the effect that changes in such factors may have on our future results of operations, liquidity and cash flows, and we may be unable to fully mitigate, or benefit from, such changes.

Impact of Seasonality and Cyclical Nature of Business

Our revenue and results of operations are subject to seasonal and other variations. These variations are influenced by weather, customer spending patterns, bidding seasons, fiscal year-ends, project schedules and timing, in particular, for large non-recurring projects and holidays. Typically, our revenue is lowest in the first quarter of the year because cold, snowy or wet conditions experienced in the northern climates are not conducive to efficient or safe construction practices. Revenue in the second quarter is typically higher than in the first quarter, as some projects begin, but continued cold and wet weather and effects from thawing ground conditions can often impact second quarter productivity. The third and fourth quarters are typically our most productive quarters of the year, as a greater number of projects are underway, and weather is normally more accommodating to construction projects. In the fourth quarter, many projects tend to be completed by customers seeking to spend their capital budgets before the end of the year, which generally has a positive impact on our revenue. Nevertheless, the holiday season and inclement weather can cause delays, which can reduce revenue and increase costs on affected projects. Any quarter may be positively or negatively affected by adverse or unusual weather patterns, including from excessive rainfall, warm winter weather or natural catastrophes such as hurricanes or other severe weather, making it difficult to predict quarterly revenue and margin variations.

Our industry is also highly cyclical. Fluctuations in end-user demand within the industries we serve, or in the supply of services within those industries, can impact demand for our services. As a result, our business may be adversely affected by industry declines or by delays in new projects. Variations in project schedules or unanticipated changes in project schedules, in particular, in connection with large construction and installation projects, can create fluctuations in revenue, which may adversely affect us in a given period. In addition, revenue from master service agreements, while generally predictable, can be subject to volatility. The financial condition of our customers and their access to capital, variations in project margins, regional, national and global economic, political and market conditions, regulatory or environmental influences, and acquisitions, dispositions or strategic investments can also materially affect quarterly results. Accordingly, our operating results in any particular period may not be indicative of the results that can be expected for any other period.

Understanding our Operating Results

Revenue

We provide engineering, building, installation, maintenance and upgrade services to our customers. We derive revenue from projects performed under fixed price contracts and other service agreements for specific projects or jobs requiring the construction and installation of an entire infrastructure system or specified units within an entire infrastructure system. We recognize a significant portion of our revenue based on the percentage-of-completion method. See *Revenue Recognition for Percentage-of-Completion Projects* within *Critical Accounting Policies and Estimates* below.

Cost of Revenue

Cost of revenue consists principally of: salaries, wages and employee benefits; subcontracted services; equipment rentals and repairs; fuel and other equipment expenses, including allocated depreciation and amortization expense; material costs, parts and supplies; insurance; and facilities expenses. Project profit is calculated by subtracting a project's cost of revenue, including project-related depreciation, from project revenue. Project profitability and corresponding project margins will be reduced if actual costs to complete a project exceed our estimates on fixed price and installation/construction service agreements. Estimated losses on contracts are recognized immediately when estimated costs to complete a project exceed the remaining revenue to be received over the remainder of the contract. Various factors can impact our margins on a quarterly or annual basis, including:

- *Seasonality and Geographical Factors.* Seasonal patterns can have a significant impact on project margins. Generally, business is slower at the beginning of the year. Adverse or favorable weather conditions can impact project margins in a given period. For example, extended periods of rain or snowfall can negatively impact revenue and project margins as a result of reduced productivity from projects being delayed or temporarily halted. Conversely, in periods when weather remains dry and temperatures are accommodating, more work can be done, sometimes with less cost, which can favorably impact project margins. In addition, the mix of business conducted in different geographic areas can affect project margins due to the particular characteristics associated with the physical locations where the work is being performed, such as mountainous or rocky terrain versus open terrain. Site conditions, including unforeseen underground conditions, can also impact project margins.
- *Revenue Mix.* The mix of revenues derived from the industries we serve and the types of services we provide within an industry will impact margins, as certain industries and services provide higher margin opportunities. Additionally, changes in our customers' spending patterns in any of the industries we serve can cause an imbalance in supply and demand and, therefore, affect margins and mix of revenues by industry served.
- *Performance Risk.* Overall project margins may fluctuate due to work volume, project pricing and job productivity. Job productivity can be impacted by quality of the work crew and equipment, availability of skilled labor, environmental or regulatory factors, customer decisions and crew productivity. Crew productivity can be influenced by weather conditions and job terrain, such as whether project work is in a right of way that is open or one that is obstructed (either by physical obstructions or legal encumbrances).
- *Subcontracted Resources.* Our use of subcontracted resources in a given period is dependent upon activity levels and the amount and location of existing in-house resources and capacity. Project margins on subcontracted work can vary from project margins on self-perform work. As a result, changes in the mix of subcontracted resources versus self-perform work can impact our overall project margins.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist principally of compensation and benefit expenses, travel expenses and related costs for our finance, benefits and risk management, legal, facilities, information services and executive personnel. Selling, general and administrative expenses also include outside professional and accounting fees, expenses associated with information technology used in administration of the business, various forms of insurance, acquisition and transaction expenses.

Interest Expense, Net

Interest expense, net consists of contractual interest expense on outstanding debt obligations, capital leases, amortization of deferred financing costs and other interest expense, including interest expense related to financing arrangements, with all such expenses net of interest income.

Critical Accounting Policies and Estimates

This management's discussion and analysis of our financial condition and results of operations is based upon IEA's consolidated financial statements included in Item 1 of this Quarterly Report, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires the use of estimates and assumptions that affect the amounts reported in our consolidated financial statements and the accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Given that management estimates, by their nature, involve judgments regarding future uncertainties, actual results may differ from these estimates if conditions change or if certain key assumptions used in making these estimates ultimately prove to be inaccurate. For discussion of all of our significant accounting policies, see *Note 1. Business, Basis of Presentation and Significant Accounting Policies* to our condensed consolidated financial statements.

We believe that the accounting policies described below are the most critical in the preparation of our consolidated financial statements as they are important to the portrayal of our financial condition and require significant or complex judgment and estimates on the part of management.

Revenue Recognition for Percentage-of-Completion Projects

Revenue from fixed-price contracts provides for a fixed amount of revenue for the entire project, subject to certain additions for changed scope or specifications. We recognize revenue from these contracts using the percentage-of-completion method. Under this method, the percentage of revenue to be recognized for a given project is measured by the percentage of costs incurred to date on the contract to the total estimated costs for the contract.

The estimation process for revenue recognized under the percentage-of-completion method is based on the professional knowledge and experience of our project managers, engineers and financial professionals. Our management reviews the estimates of contract revenue and costs on an ongoing basis. Changes in job performance, job conditions and management's assessment of expected settlements of disputes related to contract price adjustments are factors that influence estimates of total contract value and total costs to complete those contracts and, therefore, our profit recognition. Changes in these factors may result in revisions to costs and income, and their effects are recognized in the period in which the revisions are determined, which could materially affect our results of operations in the period in which such changes are recognized. Provisions for losses on uncompleted contracts are made in the period in which such losses are determined to be probable and the amount can be reasonably estimated. The substantial majority of fixed price contracts are completed within one year.

For an approved change order which can be reliably estimated as to price, the anticipated revenues and costs associated with the change order are added to the total contract value and total estimated costs of the project, respectively. When costs are incurred for a) an unapproved change order which is probable to be approved or b) an approved change order which cannot be reliably estimated as to price, the total anticipated costs of the change order are added to both the total contract value and total estimated costs for the project. Once a change order becomes approved and reliably estimable, any margin related to the change order is added to the total contract value of the project.

Business Combinations

We account for our business combinations by recognizing and measuring in the financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interests (if applicable) in the acquiree at the acquisition date. The purchase is accounted for using the acquisition method, and the fair value of purchase consideration is allocated to the tangible and intangible assets acquired and the liabilities assumed based on their estimated fair values. The excess, if any, of the fair value of the purchase consideration over the fair value of the identifiable net assets is recorded as goodwill. Conversely, the excess, if any, of the net fair values of the identifiable net assets over the fair value of the purchase consideration is recorded as a gain. The fair values of net assets acquired are calculated using expected cash flows and industry-standard valuation techniques and these valuations require management to make significant estimates and assumptions. These estimates and

assumptions are inherently uncertain and, as a result, actual results may materially differ from estimates. Significant estimates include, but are not limited to, future expected cash flows, useful lives and discount rates.

Due to the time required to gather and analyze the necessary data for each acquisition, U.S. GAAP provides a “measurement period” of up to one year in which to finalize these fair value determinations. During the measurement period, preliminary fair value estimates may be revised if new information is obtained about the facts and circumstances existing as of the date of acquisition, or based on the final net assets and working capital of the acquired business, as prescribed in the applicable purchase agreement. Such adjustments may result in the recognition, or adjust the fair values, of acquisition-related assets and liabilities and/or consideration paid, and are referred to as “measurement period” adjustments. For the period ended March 31, 2019, measurement period adjustments related to a decrease to goodwill of \$2.9 million and further adjustments discussed in *Note 2. Merger and Acquisition* included in Item 1 of this Quarterly Report on Form 10-Q.

Results of Operations

Three Months Ended March 31, 2019 and 2018

The following table reflects our consolidated results of operations in dollar and percentage of revenue terms for the periods indicated:

| (in thousands) | Three Months Ended March 31, | | | |
|---|------------------------------|---------|-------------|---------|
| | 2019 | | 2018 | |
| Revenue | \$ 190,810 | 100.0 % | \$ 50,135 | 100.0 % |
| Cost of revenue | 184,037 | 96.5 % | 53,220 | 106.2 % |
| Gross profit | 6,773 | 3.5 % | (3,085) | (6.2)% |
| Selling, general and administrative expenses | 27,754 | 14.5 % | 16,960 | 33.8 % |
| Income from operations | (20,981) | (11.0)% | (20,045) | (40.0)% |
| Interest expense, net | (10,367) | (5.4)% | (851) | (1.7)% |
| Other income (expense) | (170) | (0.1)% | (11) | — % |
| Income from continuing operations before income taxes | (31,518) | (16.5)% | (20,907) | (41.7)% |
| Provision for income taxes | 8,629 | 4.5 % | 3,515 | 7.0 % |
| Net income | \$ (22,889) | (12.0)% | \$ (17,392) | (34.7)% |

The following discussion and analysis of our results of operations should be read in conjunction with our condensed consolidated financial statements and the notes relating thereto, included in this report.

Revenue . Revenue increased 280.6%, or \$140.7 million, in the first quarter of 2019, compared to the same period in 2018. The increase in revenue was primarily due to revenue of \$109.9 million from our acquired businesses, coupled with approximately \$17.0 million of growth in our wind operations for our top ten projects quarter over quarter.

Cost of revenue. Cost of revenue increased 245.8%, or \$130.8 million, in the first quarter of 2019, compared to the same period in 2018, primarily due to the cost of revenue of \$104.0 million from our acquired businesses, and to a lesser extent, increased cost to finish remaining projects effected by multiple severe weather events in the fourth quarter of 2018.

Gross profit. Gross profit increased 319.5%, or \$9.9 million, in the first quarter of 2019, compared to the same period in 2018. As a percentage of revenue, gross profit increased and totaled 3.5% in the quarter, as compared to (6.2)% in the prior-year period. The increase in margin was primarily related to a reduction of costs on a disputed project of \$4.7 million in 2018, coupled with increased gross profit from our acquired businesses of \$5.9 million. While the Company's gross profit margin increased period over period, it was still lower than expected at March 31, 2019 due to the continuing effort to complete the six projects affected by force majeure weather in the fourth quarter of 2018. These six projects created a 0.9% reduction to gross margin in 2019 and will continue to have a further negative on gross margin impact through the third quarter.

Selling, general and administrative expenses. Selling, general and administrative expenses increased 63.6%, or \$10.8 million, in the first quarter of 2019, compared to the same period in 2018. Selling, general and administrative expenses were

14.5% of revenue in the first quarter of 2019, compared to 33.8% in the same period in 2018. The increase in selling, general and administrative expenses was primarily driven by \$11.7 million related to our acquired businesses.

Interest expense, net. Interest expense, net increased by \$9.5 million, in the first quarter of 2019, compared to the same period in 2018. This increase was primarily driven by the increased borrowings under our lines of credit and term loan in the third and fourth quarter of 2018.

Other income (expense). Other income decreased by \$0.2 million, in the first quarter of 2019, compared to the same period in 2018. The decrease was primarily the result of losses on the sale of property, plant and equipment.

Provision for income taxes. Income tax benefit increased 145.5%, or \$5.1 million, to a benefit of \$8.6 million in the first quarter of 2019, compared to \$3.5 million for the same period in 2018. The effective tax rates for the period ended March 31, 2019 and 2018 were 27.38% and 16.81%, respectively. The higher effective tax rate is primarily attributable to changes from permanent adjustments and current state taxes. There were no changes in uncertain tax positions during the periods ended March 31, 2019 and 2018.

Segment Results

The Company operated as one reportable segment for 2018 and evaluated the business as a renewable construction company. In late 2018, the Company completed two significant acquisitions that construct projects outside of the renewable market. As of March 31, 2019, we operate our business as two reportable segments: the Renewables segment and the Specialty Civil segment. The 2018 results for the Specialty Civil segment was not meaningful.

Each of our reportable segments is comprised of similar business units that specialize in services unique to the market that segment serves. Driving the end-user focused segments are differences in the economic characteristics of each segment; the nature of the services provided by each segment; the production processes of each segment; and the type or class of customer using the segment's services.

The classification of revenue and gross profit for segment reporting purposes can at times require judgment on the part of management. Our segments may perform services across industries or perform joint services for customers in multiple industries. To determine reportable segment gross profit, certain allocations, including allocations of shared and indirect costs, such as facility costs, equipment costs and indirect operating expenses, were made based on segment revenue.

The following is a brief description of the Company's reportable segments:

The Renewables segment operates throughout the United States and specializes in a range of services that include full EPC project delivery, design, site development, construction, installation and restoration of infrastructure services for the wind and solar industries.

The Specialty Civil segment operates throughout the United States and specializes in a range of services that include:

- Heavy civil construction services such as high-altitude road and bridge construction, specialty paving, industrial maintenance and other local, state and government projects.
- Environmental remediation services such as site development, environmental site closure and outsourced contract mining and coal ash management services.
- Rail Infrastructure services such as planning, creation and maintenance of infrastructure projects for major railway and intermodal facilities construction.

| (in thousands) Segment | For the three months ended March 31, 2019 | | | For the three months ended March 31, 2018 | | |
|---------------------------|---|-----------------|---------------------|---|-------------------|---------------------|
| | Revenue | Gross Profit | Gross Profit Margin | Revenue | Gross Profit | Gross Profit Margin |
| Renewables | \$ 75,060 | \$ 2,187 | 2.9% | \$ 50,135 | \$ (3,085) | (6.2)% |
| Civil | 115,750 | 4,586 | 4.0% | — | — | — |
| Total | <u>\$ 190,810</u> | <u>\$ 6,773</u> | 3.5% | <u>\$ 50,135</u> | <u>\$ (3,085)</u> | (6.2)% |

Liquidity and Capital Resources

Overview

Historically, our primary sources of liquidity have been cash flows from operations, our cash balances and availability under our A&R Credit Agreement. Because we have experienced decreased liquidity due to increased costs and delayed collections relating to the multiple severe weather events in the third quarter and fourth quarter of 2018, we have sought additional sources of liquidity in the form of proceeds from the issuance of Series B Preferred Stock.

Our primary liquidity needs are for working capital, debt service, dividends on our Series A Preferred Stock, income taxes, capital expenditures, insurance collateral, and strategic acquisitions. During the quarter ended March 31, 2019, we decreased our liquidity needs through a previously obtained waiver from the holders of the Series A Preferred Stock allowing us to extend the due date for payment of dividends on the Series A Preferred Stock. However, following the issuance of the Series B Preferred Stock, we will have additional need for liquidity to pay dividends on our Series B Preferred Stock.

As of March 31, 2019, we had approximately \$48.0 million in cash, and no availability under our A&R Credit Agreement. We expect to receive proceeds of approximately \$50.0 million from the issuance of Series B Preferred Stock and to use such proceeds to repay outstanding accounts payable, partially repay the A&R Credit Agreement, to pay fees and expenses and for general corporate purposes.

We anticipate that our existing cash balances, funds generated from operations, proceeds from the issuance of the Series B Preferred Stock and borrowings will be sufficient to meet our cash requirements for the next twelve months. No assurance can be given, however, that these sources will be sufficient, because there are many factors which could affect our liquidity, including some which are beyond our control. Please see “Item 1A. Risk Factors” in Part II to this Quarterly Report on Form 10-Q.

Capital Expenditures

For the three months ended March 31, 2019, we incurred \$1.9 million in cash purchases for equipment. We estimate that we will spend approximately two percent of revenue for capital expenditures for 2019 and 2020. Actual capital expenditures may increase or decrease in the future depending upon business activity levels, as well as ongoing assessments of equipment lease versus buy decisions based on short and long-term equipment requirements.

Working Capital

We require working capital to support seasonal variations in our business, primarily due to the effect of weather conditions on external construction and maintenance work and the spending patterns of our customers, both of which influence the timing of associated spending to support related customer demand. Our business is typically slower in the first quarter of each calendar year. Working capital needs are generally lower during the spring when projects are awarded and we receive down payments from customers. Conversely, working capital needs generally increase during the summer or fall months due to increased demand for our services when favorable weather conditions exist in many of the regions in which we operate. Again, working capital needs are typically lower and working capital is converted to cash during the winter months. These seasonal trends, however, can be offset by changes in the timing of projects, which can be affected by project delays or accelerations and/or other factors that may affect customer spending.

Generally, we receive 5% to 10% cash payments from our customers upon the inception of the projects. Timing of billing milestones and project close-outs can contribute to changes in unbilled revenue. As of March 31, 2019, substantially all of our costs in excess of billings and earnings will be billed to customers in the normal course of business within the next twelve months. Net accounts receivable balances, which consist of contract billings as well as costs and earnings in excess of billings and retainage, decreased to \$203.5 million as of March 31, 2019 from \$272.5 million as of December 31, 2018, due primarily to higher levels of revenue, timing of project activity, and collection of billings to customers.

Our billing terms are generally net 30 days, and some of our contracts allow our customers to retain a portion of the contract amount (generally, from 5% to 10%) until the job is completed. As part of our ongoing working capital management practices, we evaluate opportunities to improve our working capital cycle time through contractual provisions and certain financing arrangements. Our agreements with subcontractors often contain a “pay-if-paid” provision, whereby our payments to subcontractors are made only after we are paid by our customers.

Sources and Uses of Cash

Sources and uses of cash are summarized below:

| (in thousands) | Three Months Ended March 31, | |
|---|------------------------------|--------|
| | 2019 | 2018 |
| Net cash provided by (used in) operating activities | (37,547) | 14,845 |
| Net cash used in investing activities | (2,063) | (133) |
| Net cash provided by financing activities | 16,216 | 59 |

Operating Activities. Net cash used in operating activities for the three months ended March 31, 2019 was \$(37.5) million, as compared to net cash provided by operating activities of \$14.8 million over the same period in 2018. The decrease in net cash provided by operating activities reflects the timing of receipts from customers and payments to vendors in the ordinary course of business. The change is primarily attributable to \$93.1 million more cash paid for accounts payable, partially offset by \$60.4 million more cash collected for accounts receivables.

Investing Activities. Net cash used in investing activities for the three months ended March 31, 2019 was \$2.1 million, as compared to \$0.1 million over the same period in 2018. The increase in net cash used by investing activities reflects the cash paid for the purchase of equipment of \$1.9 million.

Financing Activities. Net cash provided by financing activities for the three months ended March 31, 2019 was \$16.2 million, as compared to \$0.1 million over the same period in 2018. The change of \$16.1 million is primarily attributable to cash used in 2018 to effectuate the Company's Merger transaction to become a public company of \$25.0 million. This increase was offset by less net proceeds from debt and the sale leaseback transaction in 2019 of \$6.8 million.

Acquisition Credit Facility

At closing of the CCS acquisition, IEA Services entered into a credit agreement for a new credit facility, which was amended and restated in connection with the closing of the William Charles acquisition, and was further amended and restated on November 16, 2018 (as amended and restated, the "A&R Credit Agreement"). The A&R Credit Agreement provides for a term loan facility of \$300.0 million and a revolving line of credit of \$50.0 million, which is available for revolving loans and letters of credit. Availability on the line of credit is subject to customary borrowing base calculations.

On September 25, 2018, \$200.0 million was drawn on the term loan facility and \$20.5 million was drawn on the line of credit to pay the CCS acquisition consideration, repay borrowings under our previous credit facility and repay certain assumed indebtedness of Saiia and the ACC Companies. The remaining \$100.0 million was drawn on the term loan facility on November 2, 2018 to pay the cash portion of the William Charles acquisition consideration and to repay certain assumed indebtedness of William Charles, and an additional \$26.0 million of revolving loans were drawn in the third and fourth quarter of 2018, to be used for working capital and other general corporate purposes, for total outstanding revolving loans of \$47.9 million as of March 31, 2019. The Company capitalized \$24.5 million of financing fees that were incurred to obtain this new credit facility.

Term loan borrowings mature on September 25, 2024 and are subject to quarterly amortization of principal, commencing on the last day of the first quarter of 2019, in an amount equal to 2.50% of the aggregate principal amount of such loans. Beginning with 2020, an additional annual payment is required equal to 75% of Excess Cash Flow 3.25% (as defined in the A&R Credit Agreement) for the preceding fiscal year if such Excess Cash Flow is greater than \$2.5 million, with the percentage of Excess Cash Flow subject to reduction based upon the Company's consolidated leverage ratio. Borrowings under the revolving line of credit mature on September 25, 2023.

Interest on term loan borrowings accrues at an interest rate of, at the Company's option, (x) LIBOR plus a margin of 6.25% or (y) an alternate base rate plus a margin of 5.25%. Interest on revolving loans accrues at an interest rate of, at the Company's option, (x) LIBOR plus a margin of 4.25% or (y) the applicable base rate plus a margin of 3.25%. The weighted average interest rate on our debt as of March 31, 2019 and December 31, 2018, was 8.57% and 8.82%, respectively.

Obligations under this credit facility are guaranteed by Infrastructure and Energy Alternatives, Inc., Intermediate Holdings (as defined therein) and each existing and future, direct and indirect, wholly-owned, material domestic subsidiary of

Infrastructure and Energy Alternatives, Inc. other than IEA Services (together with IEA Services, the “Credit Parties”), and are secured by all of the present and future assets of the Credit Parties, subject to customary carve-outs.

Under the A&R Credit Agreement, the Credit Parties are subject to various affirmative covenants, including those requiring (i) delivery of financial statements, budgets and forecasts; (ii) delivery of certificates and other information; (iii) delivery of notices (of any default, material adverse condition, ERISA event, material litigation or material environmental event); (iv) payment of tax obligations; (v) preservation of existence; (vi) maintenance of properties; (vii) maintenance of insurance; (viii) compliance with laws; (ix) maintenance of books and records; (x) inspection rights; (xi) use of proceeds; (xii) maintenance of guarantee obligations and collateral security; and (xiii) compliance with environmental laws.

Under the A&R Credit Agreement, the Credit Parties are also subject to negative covenants, including restrictions (subject to certain exceptions) on (i) liens; (ii) indebtedness (including guarantees and other contingent obligations); (iii) investments (including loans, advances and acquisitions); (iv) mergers and other fundamental changes; (v) sales and other dispositions of property or assets; (vi) payments of dividends and other distributions and share repurchases (provided, that the Credit Agreement permits (x) distributions to the Company or any of its subsidiaries, (y) tax distributions and (z) certain other distributions by the Company (including distributions for customary public company expenses and for payments on preferred equity of the post-combination company subject to terms and conditions set forth in the loan documentation), (vii) changes in the nature of the business; (viii) transactions with affiliates; (ix) burdensome agreements; (x) payments and modifications of certain debt instruments; (xi) changes in fiscal periods; (xii) amendments of organizational documents; (xiii) division/series transactions; and (xiv) sale and lease-back transactions.

Events of default under the A&R Credit Agreement include, but are not limited to, (i) failure to pay any principal or interest when due; (ii) any material breach of the representations and warranties made in the A&R Credit Agreement; (iii) failure to observe or perform covenants; and (iv) certain events of bankruptcy and judgements. Upon any event of default, the Lenders are permitted to cease making loans, declare the unpaid principal amount of all outstanding loans and all other obligations immediately due and payable, enforce liens and security interests, and exercise all other rights and remedies available under the loan documents or applicable law.

Under the A&R Credit Agreement, the Credit Parties are also subject to a First Lien Net Leverage Ratio. The First Lien Net Leverage Ratio is defined as the ratio of (a) the excess of (i) consolidated total debt that, as of such date, is secured by a lien on any asset of property of the Company or any of its Restricted Subsidiaries that is not expressly subordinated to the lien securing the obligations owing under the A&R Credit Agreement over (ii) net cash as of such date, to (b) consolidated EBITDA, calculated on a pro forma basis, for the most recently completed measurement period. The Company and Borrower must not permit the First Lien Net Leverage Ratio, as of the last day of any consecutive four fiscal quarter period to be greater than:

| Measurement Period | Ratio |
|--|--------------|
| Prior to the fiscal quarter ending December 31, 2020 | 3:50 : 1.00 |
| From and after the fiscal quarter ending December 31, 2020 | 2.25 : 1.00 |

As previously discussed, we potentially would not have been in compliance with the First Lien Net Leverage Ratio in the A&R Credit Agreement for the compliance period ended March 31, 2019. The Company sought relief by entering into the Second Amendment, which, among other things waives non-compliance with the First Lien Net Leverage Ratio under the A&R Credit Documents for the compliance period ended March 31, 2019 and replaces the existing A&R Credit Agreement with the Third A&R Credit Agreement. The effectiveness of the Third A&R Credit Documents is conditioned upon, among other things, the Company obtaining equity financing with proceeds of not less than \$50.0 million. For a more detailed description of the terms, conditions and provisions of the Third A&R Credit Documents, including a revised First Lien Net Leverage Ratio covenant, please see “Item 5. Other Information” in Part II of this Form 10-Q.

After giving effect to the Second Amendment, our First Lien Net Leverage Ratio as of March 31, 2019, was in compliance with the Second Amendment.

Series A Preferred Stock

We have 34,965 shares of Series A Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”) outstanding. Dividends on each share of Series A Preferred Stock are payable in cash on a quarterly basis and accrue on the stated value of such share on a daily basis at a rate of (i) 6% per annum during the period from the closing of the initial sale of the Series A Preferred Stock until the 18 month anniversary of the initial sale of the Series A Preferred Stock and (ii) 10% per

annum thereafter; provided that the dividend rate will be increased by 2% per annum in case of any non-payment of dividends when due, failure to redeem shares of Series A Preferred Stock when required or any other material default (in each case, as further specified in the Certificate of Designations) until such non-payment, failure or default has been cured, resolved or waived.

Any holder of Series A Preferred Stock may elect, by written notice to the Company (x) at any time and from time to time on or after the third anniversary from the closing of the initial sale of the Series A Preferred Stock or (y) at any time and from time to time on or after the non-payment of dividends when due, failure to redeem shares of Series A Preferred Stock when required or any other material default (in each case, as further specified in the Certificate of Designation) until such non-payment, failure or default is cured by the Company, to cause the Company to convert, without the payment of additional consideration by such holder, all or any portion of the issued and outstanding shares of Series A Preferred Stock held by such holder, as specified by such holder in such notice, into a number of shares of common stock determined by dividing (i) the stated value per share of \$1,000 (subject to certain adjustments provided in the Certificate of Designations for stock splits and similar events) plus accrued and unpaid dividends by (ii) the VWAP per share of common stock for the 30 consecutive trading days ending on the trading day immediately preceding the conversion date. In the event the Series A Preferred Stock is converted following an uncured non-payment, failure or default event, for the purposes of the foregoing calculation, VWAP per share shall be multiplied by 90%. The "VWAP per share" is defined as the per share volume-weighted average price for the relevant period as reported by Bloomberg (as further described in the Certificate of Designations).

During the quarter ended March 31, 2019, we extended the due date for payment of dividends on the Series A Preferred Stock through a previously obtained waiver. The effect of the waiver is that, during the waiver period, the dividends will not become payable, and the holders of the Series A Preferred will not have a right to convert based upon the non-payment of dividends on the scheduled payment date. Dividends will continue to accrue interest rate at the penalty rate if not paid on the scheduled payment date.

The issuance of the Series B Preferred Stock is subject to approval by Oaktree as representative of the holders of the Series A Preferred Stock. Under the terms of the amendment to the Third A&R Credit Documents, the Company cannot pay cash dividends to the holders of the Series A Preferred Stock nor can the Series A Preferred Stock be redeemed before repayment in full of all amounts due under the Senior Credit Facility. Under the terms of the Series B Preferred Stock, the Series A Preferred Stock is subordinated in right of dividend payment, redemption and liquidation to the Series B Preferred Stock. The Company expects to enter into an amendment to the Certificate of Designations for the Series A Preferred Stock in connection with the closing of the issuance of the Series B Preferred Stock to address the foregoing subordination issues. Upon effectiveness of the Third Amended and Restated Credit Agreement and the Series B Preferred Stock, dividends on the Series A Preferred Stock will accumulate to the liquidation preference when the Company is not permitted to pay cash dividends under those agreements. Dividends payable to Series A Preferred Stock on December 31, 2018 and March 31, 2019 will be accumulated to the liquidation preference.

Letters of Credit and Surety Bonds

In the ordinary course of business, the Company is required to post letters of credit and surety bonds to customers in support of performance under certain contracts. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit or surety bond commits the issuer to pay specified amounts to the holder of the letter of credit or surety bond under certain conditions. If the letter of credit or surety bond issuer were required to pay any amount to a holder, the Company would be required to reimburse the issuer, which, depending upon the circumstances, could result in a charge to earnings. As of March 31, 2019, and December 31, 2018, the Company was contingently liable under letters of credit issued under its revolving credit facility or its old credit facility, respectively, in the amount of \$2,080 and \$3,006, respectively, related to projects. In addition, as of March 31, 2019 and December 31, 2018, the Company had outstanding surety bonds on projects of \$1,778,246 and \$1,681,983, respectively, including the bonding line of the acquired ACC Companies and Saiia.

Contractual Obligations

The following table sets forth our contractual obligations and commitments for the periods indicated as of March 31, 2019.

| (in thousands) | Payments due by period | | | | | | |
|---------------------------------|------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | Total | Remainder of 2019 | 2020 | 2021 | 2022 | 2023 | Thereafter |
| Debt (principal) ⁽¹⁾ | 345,533 | 24,523 | 31,569 | 30,854 | 30,450 | 78,060 | 150,077 |
| Debt (interest) ⁽²⁾ | 120,948 | 22,020 | 26,829 | 23,881 | 21,151 | 17,635 | 9,432 |
| Capital leases ⁽³⁾ | 83,580 | 17,480 | 24,704 | 20,829 | 17,063 | 3,504 | — |
| Operating leases ⁽⁴⁾ | 15,427 | 4,058 | 3,586 | 1,658 | 1,004 | 765 | 4,356 |
| Total | \$ 565,488 | \$ 68,081 | \$ 86,688 | \$ 77,222 | \$ 69,668 | \$ 99,964 | \$ 163,865 |

(1) Represents the contractual principal payment due dates on our outstanding debt.

(2) Includes variable rate interest using March 31, 2019 rates.

(3) We have obligations, exclusive of associated interest, recognized under various capital leases for equipment totaling \$118.5 million at March 31, 2019. Net amounts recognized within property, plant and equipment, net in the consolidated balance sheet under these capitalized lease agreements at March 31, 2019 totaled \$100.8 million.

(4) We lease real estate, vehicles, office equipment and certain construction equipment from unrelated parties under non-cancelable leases. Lease terms range from month-to-month to terms expiring through 2038.

For detailed discussion and additional information pertaining to our debt instruments, see *Note 9. Debt* in the Notes to Condensed Consolidated Financial Statement, included in Item 1.

Off-Balance Sheet Arrangements

As is common in our industry, we have entered into certain off-balance sheet arrangements in the ordinary course of business. Our significant off-balance sheet transactions include liabilities associated with non-cancelable operating leases, letter of credit obligations, surety and performance and payment bonds entered into in the normal course of business, liabilities associated with deferred compensation plans, liabilities associated with certain indemnification and guarantee arrangements. See *Note 10. Commitments and Contingencies* in the Notes to Condensed Consolidated Financial Statements, included in Item 1 of this Quarterly Report on Form 10-Q, for discussion pertaining to our off-balance sheet arrangements. See *Note 1. Business, Basis of Presentation and Summary of Significant Accounting Policies* and *Note 14. Related Party Transactions* in the Notes to Condensed Consolidated Financial Statements, included in Item 1, for discussion pertaining to certain of our investment arrangements.

Backlog

For companies in the construction industry, backlog can be an indicator of future revenue streams. Estimated backlog represents the amount of revenue we expect to realize from the uncompleted portions of existing construction contracts, including new contracts under which work has not begun and awarded contracts for which the definitive project documentation is being prepared, as well as revenue from change orders and renewal options. Estimated backlog for work under fixed price contracts and cost-reimbursable contracts is determined based on historical trends, anticipated seasonal impacts, experience from similar projects and estimates of customer demand based on communications with our customers. Cost-reimbursable contracts are included in backlog based on the estimated total contract price upon completion.

As of March 31, 2019 and December 31, 2018, our total backlog was approximately \$2.2 billion and \$2.1 billion, respectively, compared to \$1.1 billion as of March 31, 2018. The \$1.1 billion increase is primarily related to \$858.0 million of backlog related to our acquisitions coupled with \$254.0 million of an increase in backlog related to our legacy IEA business.

The following table summarizes our backlog by segment for March 31, 2019:

| (in millions) | |
|----------------------|----------------------------------|
| Segments | Backlog at March 31, 2019 |
| Renewables | 1,264.4 |
| Civil | 892.7 |
| Other | — |
| Total | \$ 2,157.1 |

Based on historical trends in the Company's backlog, we believe awarded contracts to be firm and that the revenue for such contracts will be recognized over the life of the project. Timing of revenue for construction and installation projects included in our backlog can be subject to change as a result of customer delays, regulatory factors and/or other project-related factors. These changes could cause estimated revenue to be realized in periods later than originally expected, or not at all. In the past, we have occasionally experienced postponements, cancellations and reductions on construction projects, due to market volatility and regulatory factors. There can be no assurance as to our customers' requirements or the accuracy of our estimates. As a result, our backlog as of any particular date is an uncertain indicator of future revenue and earnings.

Backlog is not a term recognized under GAAP, although it is a common measurement used in our industry. Our methodology for determining backlog may not be comparable to the methodologies used by others. See "Item 1A. Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 14, 2019 for a discussion of the risks associated with our backlog.

Recently Issued Accounting Pronouncements

See Note 1. *Business, Basis of Presentation and Summary of Significant Accounting Policies* in the Notes to Condensed Consolidated Financial Statements, included in Item 1.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Credit Risk

We are subject to concentrations of credit risk related to our net receivable position with customers, which includes amounts related to billed and unbilled accounts receivable and costs and earnings in excess of billings ("CIEB") on uncompleted contracts net of advanced billings with the same customer. We grant credit under normal payment terms, generally without collateral, and as a result, we are subject to potential credit risk related to our customers' ability to pay for services provided. This risk may be heightened if there is depressed economic and financial market conditions. However, we believe the concentration of credit risk related to billed and unbilled receivables and costs and estimated earnings in excess of billings on uncompleted contracts is limited because of the diversity of our customers.

Interest Rate Risk

Borrowings under the new credit facility and certain other borrowings are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. The outstanding debt balance as of March 31, 2019 was \$345.5 million. A one hundred basis point change in the LIBOR rate would increase or decrease interest expense by \$3.5 million. As of March 31, 2019, we had no derivative financial instruments to manage interest rate risk.

Item 4. Control and Procedures

Attached as exhibits to this Quarterly Report on Form 10-Q are certifications of IEA's Chief Executive Officer and Chief Financial Officer that are required in accordance with Rule 13a-14 of the Exchange Act of 1934. This section includes information concerning the controls and controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Evaluation of Disclosure Controls and Procedures

Our management has established and maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. The disclosure controls and procedures are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Exchange Act. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on this evaluation, these officers have concluded that, as of March 31, 2019, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1A. Risk Factors

At March 31, 2019, there have been no other material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K filed with the SEC on March 14, 2019, which is accessible on the SEC's website at www.sec.gov, except as described below.

The transactions under the Equity Agreement and Third A&R Credit Documents are subject to closing conditions. We cannot provide any assurance that we will be able to consummate the transactions under the Equity Agreement and Third A&R Credit Agreement.

As described above, the Company has entered into the Second Amendment and Equity Agreement in order to allow the Company to improve its liquidity position. The Second Amendment, among other things amends the First Lien Net Leverage Ratio under the A&R Credit Agreement for 2019 and replaces the existing A&R Credit Agreement with the Third A&R Credit Documents. The Third A&R Credit Documents becomes effective upon, among other conditions, the Company obtaining equity financing with proceeds of not less than \$50.0 million.

In order to satisfy that condition, the Company entered into the Equity Agreement, pursuant to which the Company has agreed to issue and sell to the Commitment Parties, and the Commitment Parties have agreed to purchase from the Company, for an amount in cash equal to \$50.0 million in the aggregate, an aggregate of 50,000 shares of newly created Series B Preferred Stock and Warrants exercisable into an aggregate of 3,405,424 shares of the Company's common stock, subject to adjustment.

There can be no assurance that we will be able to consummate the transactions under the Equity Agreement. If we are unable to close the transactions under the Equity Agreement, then we will not be able to satisfy the conditions precedent to the effectiveness of the Third A&R Credit Documents and the lenders may seek to declare an event of default under the A&R Credit Agreement for potential non-compliance with the First Lien Net Leverage Ratio. Upon any event of default, the Lenders are permitted to cease making loans, declare the unpaid principal amount of all outstanding loans and all other obligations immediately due and payable, enforce liens and security interests, and exercise all other rights and remedies available under the loan documents or applicable law, which would materially and adversely affect our liquidity, financial position and cash flows.

The transaction under the Equity Agreement and Series A Preferred Stock may result in substantial dilution to holders of our common stock, and impose additional restrictions on us.

Pursuant to the terms of the Equity Agreement, we have agreed to issue to the Commitment Parties Warrants exercisable into an aggregate of 3,405,424 shares of common stock at closing. In addition to the Warrants issued at closing, the Company may be required to issue additional warrants depending upon EBITDA (calculated on a last twelve month basis) on the last calendar day of each month during the twelve month period commencing on the first anniversary of the closing date and ending on the second anniversary of the closing date, as follows: (1) if EBITDA is greater than or equal to \$100.0 million, no additional Warrants are required to be issued, (2) if EBITDA is less than \$87.5 million, 1,335,149 additional Warrants are required to be issued, and (3) if greater than or equal to \$87.5 million, but less than \$100.0 million additional Warrants up to 1,335,149 must be issued depending upon actual EBITDA during the measurement period. Additionally, the Commitment Parties may be issued additional Warrants to the extent additional shares of common stock are issued pursuant to that certain Agreement and Plan of Merger, dated November 3, 2017, by and among the Company, IEA Energy Services, LLC, Infrastructure and Energy Alternatives, LLC, and the other parties thereto, upon conversion of Series A Preferred Stock, and in the event of exercises of certain other warrants and equity rights.

Each Warrant will be exercisable into the Company's common stock at an exercise price per share of \$0.0001 (the "Exercise Price"). The Exercise Price may be paid by the holder by payment of the aggregate Exercise Price by check or wire transfer, or by instructing the Company to withhold a number of shares of common stock then issuable upon exercise of the Warrant with an aggregate fair market value as of the date of exercise equal to the aggregate Exercise Price; or any combination of the foregoing. Furthermore, in connection with the Equity Agreement, we will enter into the A&R Registration Rights Agreement (defined below) covering the shares of common stock issuable upon exercise of the Warrants.

Additionally, as described above, the holders of the Series A Preferred Stock have the right at any time and from time to time on or after the non-payment of dividends when due until such non-payment, failure or default is cured by the Company, to cause the Company to convert, without the payment of additional consideration by such holder, all or any portion of the issued and outstanding shares of Series A Preferred Stock held by such holder, as specified by such holder in such notice, into a number of shares of common stock determined by dividing (i) the stated value per share of \$1,000 (subject to certain

adjustments provided in the Certificate of Designations for stock splits and similar events) plus accrued and unpaid dividends by (ii) the VWAP per share of common stock for the 30 consecutive trading days ending on the trading day immediately preceding the conversion date. In the event the Series A Preferred Stock is converted following an uncured non-payment, failure or default event, for the purposes of the foregoing calculation, VWAP per share shall be multiplied by 90%. The “VWAP per share” is defined as the per share volume-weighted average price as reported by Bloomberg (as further described in the Certificate of Designations).

During the quarter ended March 31, 2019, we extended the due date for payment of dividends on the Series A Preferred Stock pursuant to a previously obtained waiver. The effect of the waiver is that, during the waiver period, the dividends will not be payable, and the holders of the Series A Preferred will not have a right to convert based upon the non-payment of dividends on the scheduled payment date. Dividends will continue to accrue interest rate at the penalty rate if not paid on the scheduled payment date. If we are unable to obtain an additional waiver upon the expiration of the waiver period, the holders of the Series A Preferred Stock will have the right to convert their Series A Preferred Stock into shares of common stock at the penalty rate described above.

Accordingly, the transactions under the Equity Agreement and the Series A Preferred Stock may result in substantial additional issuances of common stock. Additional issuances of common stock, or sales of common stock, would have the effect of diluting our earnings per share as well as our existing shareholders’ individual ownership percentages and could lead to volatility in our common stock price. Sales of a substantial number of shares of our common stock could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity or equity-linked securities.

Our Third A&R Credit Documents imposes restrictions on us that may prevent us from engaging in transactions that might benefit us.

As described in more detail in “Item 5. Other Information” in Part II of this Form 10-Q, on May 15, 2019, the Company entered into the Lender Support Agreement, by and among the Company, Intermediate Holdings, the Borrower, the Subsidiary Guarantors and the Required Lenders, pursuant to which the Required Lenders have agreed to amend and restate the existing Second Amended and Restated Credit Agreement in its entirety to read as set forth in the Third A&R Credit Documents. The effectiveness of the Third A&R Credit Documents is conditioned upon, among other things, the Company obtaining equity financing with proceeds of not less than \$50.0 million.

The Third A&R Credit Documents carries over restrictions existing in the A&R Credit Agreement, with respect to, among other things:

- engaging in transactions with affiliates;
- buying back shares or paying dividends in excess of specified amounts;
- making investments and acquisitions in excess of specified amounts;
- incurring additional indebtedness in excess of specified amounts;
- creating certain liens against our assets;
- prepaying subordinated indebtedness;
- engaging in certain mergers or combinations;
- failing to satisfy certain financial tests; and
- engaging in transactions that would result in a “change of control.”

In addition, the Third A&R Credit Agreement makes additional changes that restrict our business further, could make compliance with the terms and conditions of the Third A&R Credit Agreement more difficult, and could impact our ability to engage in transactions we deem beneficial, including, but not limited to:

- initially increasing the interest rate by 2.00% per annum on certain loans, making the interest rate on Initial Term Loan borrowings a rate of, at the Company's option, (x) LIBOR plus a margin of 8.25% (rather than 6.25%, for consenting lenders) or (y) an alternate base rate plus a margin of 7.25% (rather than 5.25%);
- increasing the interest rate upon occurrence and during the continuance of a significant event of default from an additional 2.00% per annum to an additional 3.00% per annum;
- limiting the ability to add back charges, expenses or losses incurred as a result of any adverse weather event in calculating consolidated EBITDA (including for purpose of determining the First Lien Net Leverage Ratio), and providing an overall limitation on the aggregate amount added back to net income for certain types of charges, costs, expenses and adjustments for purposes of calculating consolidated EBITDA;
- adding a requirement for control agreements with respect to our bank accounts upon certain events;

- limiting the amount and nature of cash that can be used to calculate the First Lien Net Leverage Ratio;
- imposing a make-whole premium or prepayment premium upon certain voluntary prepayments;
- eliminating the ability to request one or more Incremental Term Facilities or Incremental Revolving Facilities;
- imposing stricter mandatory repayment requirements of Excess Cash Flow;
- eliminating the ability to designate unrestricted subsidiaries; and
- eliminating certain exceptions to the covenants not to incur additional indebtedness or make restricted payments.

These are not all of the changes in the Third A&R Credit Documents.

Should we be unable to comply with the terms and covenants of our Third A&R Credit Documents, we would be required to obtain consents from our lenders, further modify our Third A&R Credit Documents or secure another source of financing to continue to operate our business, none of which may be available to us on reasonable terms or at all. A default could also result in the acceleration of our obligations under the Third A&R Credit Documents. To the extent we need additional financing, we may not be able to obtain such financing at all or on favorable terms, which may materially decrease our profitability, cash flows and liquidity.

Our liquidity remains constrained and, if our results of operations were negatively impacted by unforeseen factors or impacted to a greater degree than anticipated, we could require additional sources of liquidity in the future to fund our operations and service our indebtedness and we might not be able to maintain compliance with the covenants in our Third A&R Credit Documents.

We have experienced decreased liquidity due to the multiple severe weather events in the third quarter and fourth quarter of 2018. Although we have entered into the Equity Agreement for the sale of Series B Preferred Stock, our liquidity could remain constrained, in part because we expect the proceeds from the sale of the Series B Preferred Stock will be used to repay outstanding accounts payable, partially repay the A&R Credit Agreement, to pay fees and expenses and for general corporate purposes. Additionally, we will incur additional dividend payment obligations under the Series B Preferred Stock after their issuance.

Although we anticipate that our existing cash balances, funds generated from operations, proceeds from the issuance of the Series B Preferred Stock and borrowings will be sufficient to meet our cash requirements for the next twelve months, no assurance can be given that these sources will be sufficient, because there are many factors that could affect our liquidity, including some that are beyond our control. Factors that could cause our future liquidity to vary materially from expectations include, but are not limited to, weather events, contract disputes with customers, loss of customers, spending patterns of customers, unforeseen costs and expenses and our ability to maintain compliance with the covenants and restrictions in our Third A&R Credit Documents (or obtain waivers in the event of non-compliance). If we encounter circumstances that place unforeseen constraints on our capital resources, we will be required to take even stronger measures to conserve liquidity.

In the future, we may require additional funds for operating purposes and may seek to raise additional funds through debt or equity financing. If we ever need to seek additional financing, there is no assurance that this additional financing will be available, or if available, will be on reasonable terms. If our liquidity and capital resources are insufficient to meet our working capital requirements or fund our debt service obligations, we could face substantial liquidity problems, may not be able to generate sufficient cash to service all our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. In the event we are not able to fund our working capital, we will not be able to implement or may be required to delay all or part of our business plan, and our ability to improve our operations, generate positive cash flows from operating activities and expand the business will be materially adversely affected.

If our results of operations were negatively impacted by unforeseen factors, or impacted to a greater degree than anticipated, we might not be able to maintain compliance with the covenants and restrictions in our Third A&R Credit Documents. If we were unable to comply with the financial covenants in the future, and we were not able to obtain a waiver or forbearance, it would result in an uncured default under the Third A&R Credit Documents. If a default under the Third A&R Credit Documents were not cured or waived, we would be unable to borrow under the Third A&R Credit Documents and the indebtedness thereunder could be declared immediately due and payable. If we were unable to borrow under the Third A&R Credit Documents, we would need to meet our capital requirements using other sources. Alternative sources of liquidity may not be available on acceptable terms if at all. Even if we were able to obtain an amendment, forbearance agreement or waiver in the future, we might be required to agree to other changes in the Third A&R Credit Documents, including increased interest

rates or premiums, more restrictive covenants and/or pay a fee for such amendment, forbearance agreement or waiver. Any of these events would have a material adverse effect on our business, financial condition and liquidity.

Item 5. Other Information

Equity Commitment Agreement

On May 14, 2019, the Company entered into the Equity Agreement by and among the Company and the Commitment Parties, pursuant to which the Company has agreed to issue and sell to the Commitment Parties, and the Commitment Parties have agreed to purchase from the Company for an amount in cash equal to \$50.0 million in the aggregate, an aggregate of 50,000 shares of newly created Series B Preferred Stock and Warrants exercisable into an aggregate of 3,405,424 shares of common stock, subject to adjustment. The Company expects the transactions under the Equity Agreement to close on or after May 20, 2019. The net proceeds to the Company are expected to be approximately \$43.0 million after deducting estimated expenses payable by the Company, and the proceeds will be used to repay outstanding accounts payable, partially repay the A&R Credit Agreement, to pay fees and expenses and for general corporate purposes. Guggenheim Securities LLC acted as placement agent (the "Placement Agent").

An affiliate of one of our Sponsors is one of the Commitment Parties under the Equity Agreement, and has agreed to purchase \$20.0 million of the \$50.0 million commitment on the same terms and conditions as the other Commitment Party. The Equity Agreement, and the issuance of the Series B Preferred Stock and Warrants was approved by a special committee of the Board of Directors consisting entirely of disinterested directors and, upon recommendation of such special committee, by the full Board of Directors.

The Company expects the transactions under the Equity Agreement to close around May 20, 2019.

The closing of the transactions under the Equity Agreement is subject to various conditions, including, but not limited to, the filing of a certificate of designations for the Series B Preferred Stock (the "Certificate") with the Secretary of State of the State of Delaware, delivery of stock certificates for the Series B Preferred Stock, delivery of a warrant certificate for the Warrants, and the Company's payment of expenses of the Commitment Parties. Additionally, pursuant to the terms of the Equity Agreement, the Company will enter into an amended and restated registration rights agreement (the "A&R Registration Rights Agreement"), which amends and restates that certain registration rights agreement, dated as March 28, 2018, as amended (the "Registration Rights Agreement") to provide any Commitment Party not already party thereto with the same rights provided under the Registration Rights Agreement with respect to the common stock issuable upon exercise of the Warrants. The Company will also enter into an amended and restated investor rights agreement (the "A&R Investor Rights Agreement"), which amends and restates that certain investor rights agreement, dated as of March 26, 2018, in order to provide (a) the right to designate a director to the Board of Directors and (b) grant such director the same indemnification rights thereunder as granted to the other members of the Board of Directors.

Further, in connection with the closing of the transactions and as a closing condition thereto, we are currently in negotiations with the holders of our Series A Preferred Stock in order to amend the certificate of designation governing the Series A Preferred Stock to provide for the subordination of the Series A Preferred Stock to the Series B Preferred Stock with respect to the payment of dividends or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Upon closing of the transactions contemplated by the Equity Agreement, one of the Commitment Parties, will have a right of first refusal through December 31, 2019 with respect to any Company transactions involving a debt or equity financing (other than a public offering of Common Stock) resulting in gross proceeds of at least \$25 million to the Company or any of its subsidiaries resulting in a deleveraging of the Company's consolidated balance sheet following the closing.

In addition to the Warrants issued at closing, the Company may be required to issue additional warrants depending upon EBITDA (calculated on a last twelve month basis) on the last calendar day of each month during the twelve month period commencing on the first anniversary of the closing date and ending on the second anniversary of the closing date, as follows: (1) if EBITDA is greater than or equal to \$100.0 million, no additional Warrants are required to be issued, (2) if EBITDA is less than \$87.5 million, 1,335,149 additional Warrants are required to be issued, and (3) if greater than or equal to \$87.5 million, but less than \$100.0 million additional Warrants up to 1,335,149 must be issued depending upon actual EBITDA during the measurement period. Additionally, the Commitment Parties may be issued additional Warrants to the extent additional shares of common stock are issued pursuant to that certain Agreement and Plan of Merger, dated November 3, 2017, by and among the Company, IEA Energy Services, LLC, Infrastructure and Energy Alternatives, LLC, and the other parties thereto. Upon

conversion of Series A Preferred Stock, and in the event of certain other warrants and equity rights. The number of shares of common stock into which the warrants are exercisable is limited as necessary to comply with NASDAQ.

The Company has made customary representations and warranties to the Commitment Parties and Placement Agent in the Equity Agreement. Additionally, the Commitment Parties have made customary representations and warranties to the Company in the Equity Agreement. The Equity Agreement contains various affirmative and negative covenants for the Company and Commitment Parties. The Company has also agreed to indemnify the Commitment Parties for breaches and inaccuracies in the representations and warranties in any transaction documents, or any breach or default of any covenants, agreements or obligations in the transaction documents.

The description of the Equity Agreement above is not a complete summary and is qualified in its entirety by reference to the full text of the Equity Agreement, which is filed as Exhibit 10.2 with this Quarterly Report on Form 10-Q and incorporated in this “Item 5. Other Information” by reference. The Equity Agreement is filed as an exhibit to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about the Company. The representations, warranties and covenants contained in the Equity Agreement were made only for purposes of the Equity Agreement and as of specific dates, were solely for the benefit of the parties to the Equity Agreement, and may be subject to limitations agreed upon by the contracting parties.

Series B Preferred Stock

In connection with the closing of the transactions under the Equity Agreement, the Company will file the Certificate to designate a new class of Series B Preferred Stock. The description below is provided for convenience of readers, and the actual terms and conditions of the Series B Preferred Stock will be as set forth in the Certificate filed with the Secretary of State of the State of Delaware, which may differ from the summary below. Terms that are capitalized in the description below but not defined herein have the definition given to such term in the Certificate.

General. Pursuant to the Company’s Second Amended and Restated Certificate of Incorporation, the Company is authorized to issue up to 1,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, rights and preferences as may be determined from time to time by the Company’s Board of Directors, without further stockholder approval. The Board of Directors will create the Series B Preferred Stock out of the authorized and unissued shares of preferred stock as a new class as provided in the Certificate.

Ranking. The Series B Preferred Stock will rank (a) equally in right of payment with any class or series of Capital Stock of the Company that expressly ranks equally with the Series B Preferred Stock (the “Parity Stock”), (b) senior in right of payment to Junior Stock, and (c) junior in right of payment to Senior Stock with respect to the payment of dividends or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The Company’s common stock, par value \$0.0001 per share (the “common stock”) and existing Series A Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), are Junior Stock under the Certificate.

Stated Value. The Series B Preferred Stock will have a stated value (the “Stated Value”) of an amount equal to the sum of (i) \$1,000, as equitably adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction with respect to the Series B Preferred Stock after the date of issuance of such share of Series B Preferred Stock, plus (ii) the amount of accumulated but unpaid dividends compounded and accrued.

Dividends. No dividends shall be paid on the Series B Preferred Stock unless, as, if and when declared by the Board. Commencing from and after the closing of the sale of the Series B Preferred until redeemed, dividends will accrue (daily on the basis of a 360-day year consisting of twelve 30-day periods except for partial periods) at the Accumulated Dividend Rate (as defined below) on the Stated Value, and will increase the Stated Value of the Series B Preferred Stock on and effective as of each of March 31, June 30, September 30 and December 31 through redemption (each, a “Dividend Date”) without any further action by the Board; provided, that, to the extent not prohibited by applicable law, and only as, if and when declared by the Board, dividends will be declared and paid in cash at the Cash Dividend Rate (as defined below) on the Stated Value, and will be payable in cash quarterly in arrears on the applicable Dividend Date.

The Accumulated Dividend Rate means 18% per annum; provided that, during the period from the occurrence of a Deleveraging Event until the date that is two years from the occurrence of such Deleveraging Event, the Accumulated Dividend Rate shall instead be 15% per annum; provided, further, that, from and after the occurrence of any Non-Payment Event or Default Event and until the cure, resolution or waiver of such Non-Payment Event or Default Event, as the case may be, the Accumulated Dividend Rate shall be the Accumulated Dividend Rate as otherwise determined plus 2% per annum.

The Cash Dividend Rate means 15% per annum; provided that, immediately after the occurrence of a Deleveraging Event, the Cash Dividend Rate shall instead be 13.5% per annum.

A Deleveraging Event means (i) an equity financing following the closing of the sale of the Series B Preferred Stock consisting of either (x) the issuance of Junior Stock, which Junior Stock does not contain any mandatory redemption provisions requiring redemption prior February 16, 2025 (other than with respect to a change of control or liquidation event) or (y) the issuance of Parity Stock (including additional Series B Preferred Stock) to the holders of Series B Preferred Stock or their affiliates, in each case where the proceeds of such equity financing are used exclusively by the Company to permanently reduce senior secured indebtedness for borrowed money for which the Company is the borrower or a guarantor by at least \$50 million or (ii) the Total Net Leverage Ratio (as defined in the Credit Agreement as in effect on the date hereof) as of the last day of any fiscal quarter is less than or equal to 1.50 to 1.00.

Until the Series B Preferred Stock is redeemed, neither the Company nor any of its subsidiaries shall declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company or any of its subsidiaries, other than (i) dividends payable on (A) Senior Stock, (B) Parity Stock except in a proportional basis in accordance with the Certificate and (C) Junior Stock payable solely in the form of additional shares of Junior Stock, and (ii) dividends or distributions by a subsidiary; provided that the Company may pay cash dividends on the Series A Preferred Stock ("Class A Cash Dividends") if either (x) no dividends have accumulated on any shares of Series B Preferred Stock prior to or on the date such dividend is paid on the Series A Preferred Stock or (y) as of the date such dividend is paid on the Series A Preferred Stock, the Company has redeemed, in accordance with the Certificate, shares of Series B Preferred Stock having a Stated Value that has been increased as a result of all Series B Preferred Accumulated Dividends that have accumulated since the closing of the sale of the Series B Preferred Stock in respect of shares of Series B Preferred Stock outstanding as of such date and the Company has paid a Series B Preferred Cash Dividend for such dividend period with respect to any shares of Series B Preferred Stock that remain outstanding.

Liquidation Event. Subject to the rights of the holders of any Senior Stock or Parity Stock in connection therewith, upon any Liquidation Event (as defined below), each holder of Series B Preferred Stock shall be entitled to be paid, out of the assets of the Company legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock in connection with such Liquidation Event, an amount per share of Series B Preferred Stock held by such holder equal to the sum of (i) the Stated Value plus (ii) all accumulated and unpaid dividends, if any, with respect to such share calculated through the day prior to such payment.

A Liquidation Event means (i) effecting any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, (ii) any voluntary or involuntary filing for bankruptcy, insolvency, receivership or any similar proceedings by or against the Company or any of its subsidiaries that holds, directly or indirectly, all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis, (iii) a receiver or trustee is appointed for all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis or (iv) the Company or any subsidiary that owns all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis makes an assignment for the benefit of its creditors.

Voting Rights. Other than any voting rights provided by applicable law or as expressly provided by the Certificate, the holders of the Series B Preferred Stock (in their capacities as such) shall not have voting rights of shareholders. To the extent a vote or consent is required, the holders of the Series B Preferred Stock have designated a sole and exclusive stockholder representative (the "Stockholders' Representative") with power and authority to exercise all voting, except for certain matters.

Consent Rights. Until all of the Series B Preferred Stock have been redeemed, the Company shall not, and shall cause its subsidiaries not to, directly or indirectly (whether by merger, consolidation, amendment of the Certificate or otherwise), without the prior written approval of the Stockholders' Representative (or all holders of Series B Preferred Stock):

- create, or authorize the creation of, or issue or obligate itself to issue any shares of Senior Stock, Parity Stock, capital stock that votes with the Series B Preferred Stock on matters requiring consent, or capital stock of a subsidiary;
- reclassify, alter or amend any capital stock of the Company or its subsidiaries if such reclassification, alteration or amendment would render such other capital stock senior to or pari passu with the Series B Preferred Stock;
- enter into any agreement with respect to, or consummate, any merger, consolidation or similar transaction with any other person pursuant to which the Company or such subsidiary would not be the surviving entity, if as a result of such transaction, any capital stock or equity or equity-linked securities of such person would rank senior to or pari passu with the Series B Preferred Stock;
- assume, incur or guarantee, or authorize the creation, assumption, incurrence or guarantee of, any indebtedness for borrowed money (subject to certain exceptions);

- authorize or consummate any Change of Control or Liquidation Event unless on or prior to the consummation of such Change of Control or Liquidation Event, all shares of Series B Preferred Stock will be redeemed, paid or purchased in full at the Optional Redemption Price (defined below);
- alter, amend, supplement, restate, waive or otherwise modify any provision of the Certificate or any other governing document in a manner that would reasonably be expected to be materially adverse to the rights or obligations of the holders of the Series B Preferred Stock;
- at any time when the Company is prohibited from making Class A Cash Dividends pursuant to the Certificate, to utilize the restricted payment basket set forth in the Company’s credit agreement any purpose other than making a Series B Preferred Cash Dividend or redeeming, repurchasing or otherwise retiring Series B Preferred Stock; or
- enter into any amendment to the credit agreement that materially and adversely affects the ability of the Company to make cash dividend payments, liquidation payments or redemption payments compared to the credit agreement in effect at the initial sale of the Series B Preferred Stock.

Optional Redemption. The Company may, at any time and from time to time, redeem all or any portion of the shares of Series B Preferred Stock then outstanding at the Optional Redemption Price per share; provided, that any redemption of less than all of the Series B Preferred Stock outstanding shall be on a pro rata basis among the holders of Series B Preferred Stock in accordance with the number of shares of Series B Preferred Stock then held by such holders. The Optional Redemption Price is a price per share of Series B Preferred Stock in cash equal to the greater of (i) the Stated Value thereof plus all accrued and unpaid dividends thereon since the immediately preceding Dividend Date calculated through the day prior to such redemption and (ii) \$1,500, plus all accrued and unpaid dividends thereon since the immediately preceding Dividend Date calculated through the day prior to such redemption, minus the amount of any Series B Preferred Cash Dividends actually paid on such share of Series B Preferred Stock since the closing of the sale of the Series B Preferred Stock.

Mandatory Redemption. On February 15, 2025, the Company shall redeem all shares of Series B Preferred Stock then outstanding at the Mandatory Redemption price per share. The Mandatory Redemption price per share equals a price per share of Series B Preferred Stock in cash equal to the Stated Value thereof plus all accumulated and unpaid dividends thereon calculated through the day prior to such redemption. There is no premium or penalty payable in connection with any such mandatory redemption.

Redemption in Connection with Certain Events. Subject to compliance with the terms of any credit agreement, the Company is required to redeem all of the Series B Preferred Stock as a condition to the consummation of a Change in Control at the Optional Redemption Price, as well as use the net cash proceeds from any Qualifying Equity Sale or Significant Disposition to redeem the maximum number of shares of Series B Preferred Stock, on a pro rata basis, at the Optional Redemption Price that are redeemable from the net cash proceeds from such Qualifying Equity Sale or Significant Disposition.

Board Designation Rights. Effective as of the closing of the sale of Series B Preferred Stock, the Company has agreed to increase the size of the Board in order to appoint one director designated by the Stockholders’ Representative to the Board for a term expiring at the 2021 annual meeting of the Company’s stockholders. So long as there is more than \$20.0 million of Series B Preferred Stock outstanding, the Company agrees to at all times appoint or nominate for election to the Board one director designated by the Stockholders’ Representative. Upon appointment or election to the Board, the Company agrees to promptly appoint the director designated by the Stockholders’ Representative to serve on each committee of the Board, subject in each case to meeting the applicable requirements for service on such committee as set forth in the listing rules of NASDAQ, the rules and regulations of the SEC, the Company’s corporate governance guidelines applicable to all of the members of such committee and such committee’s charter.

The description of the Series B Preferred Stock above is not a complete summary, and is qualified in its entirety by reference to the full text of the form of Certificate, which is included as Exhibit A to the Equity Agreement filed as Exhibit 10.2 with this Quarterly Report on Form 10-Q and incorporated in this “Item 5. Other Information” by reference. The form of Certificate is filed as an exhibit to the Equity Agreement to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about the Company. The actual terms of the Certificate to be filed with the Secretary of State of the State of Delaware on or before the closing of the sale of the Series B Preferred Stock may differ from the summary provided above.

Warrant Agreement

In connection with the sale of the Series B Preferred Stock, the Company will provide each Commitment Party with Warrants pursuant to a Warrant Agreement (the “Warrant Agreement”). Each Warrant will be exercisable into the Company’s common stock at an exercise price per share of \$0.0001 (the “Exercise Price”). The Exercise Price may be paid by the holder by payment of the aggregate Exercise Price by check or wire transfer, or by instructing the Company to withhold a number of

shares of common stock then issuable upon exercise of the Warrant with an aggregate fair market value as of the date of exercise equal to the aggregate Exercise Price; or any combination of the foregoing.

The number of shares of common stock issuable upon exercise of the Warrant adjusts for dividends, subdivisions or combinations of the Company's common stock; cash distributions or other distributions; reorganization, reclassification, consolidation or merger; and spin-offs.

The Commitment Parties will make limited customary representations and warranties in the Warrant Agreement. The description of the Warrants and Warrant Agreement above is not a complete summary, and is qualified in its entirety by reference to the full text of the form of Warrant Agreement, which is included as Exhibit B to the Equity Agreement filed as Exhibit 10.2 with this Quarterly Report on Form 10-Q and incorporated in this "Item 5. Other Information" by reference. The Warrant Agreement is filed as an exhibit to the Equity Agreement to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about the Company. The actual terms of the Warrants and Warrant Agreements issued at closing of the sale of the Series B Preferred Stock may differ from the summary provided above.

Second Amendment to Second Amended and Restated Credit and Guarantee Agreement

On May 15, 2019, the Company entered into a Second Amendment to Second Amended and Restated Credit and Guarantee Agreement with lenders constituting Required Lenders under the Second Amended and Restated Credit Agreement by and among the Company, Intermediate Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Revolving Agent, the Collateral Agent and the Lenders party thereto (the "Second Amendment"). Pursuant to the Second Amendment, the Required Lenders have agreed to reset the first lien net leverage ratio financial covenant level for the March 31, 2019 fiscal quarter end to 4.75:1.00. The Second Amendment also adds a covenant that requires the Company to enter into the Third A&R Credit Documents (as described below) on or before May 25, 2019. The failure to satisfy this covenant will result in the amendment to the financial covenant becoming null and void, cause the Company to be in technical default of the first lien net leverage ratio as of March 31, 2019 and result in all amounts outstanding under the A&R Credit Agreement to be currently payable.

Lender Support Agreement and Third Amended and Restated Credit and Guarantee Agreement

On May 15, 2019, the Company entered into a Lender Support Agreement with lenders constituting Required Lenders under the Second Amended and Restated Credit Agreement by and among the Company, Intermediate Holdings, the Borrower, the Subsidiary Guarantors, the Administrative Agent, the Revolving Agent, the Collateral Agent and the Lenders party thereto. Pursuant to the Lender Support Agreement, the Required Lenders have agreed to enter into a Third Amendment and Restatement Agreement and Third Amended and Restated Credit Agreement (collectively, the "Third A&R Credit Documents"). The Third A&R Credit Documents will become effective upon, among other conditions, the Company obtaining equity financing with gross proceeds of not less than \$50.0 million and the Company paying to each lender that consents to the Third A&R Credit Documents a fee of 0.50% of the aggregate principal amount of revolving commitments and outstanding term loans of such lender on the effective date. The Company will also be required to pay other customary fees and expenses. The Company expects the Third A&R Credit Documents to become effective on May 20, 2019.

The Third A&R Credit Documents will bifurcate the remaining principal amount of the initial term loan facility of \$300.0 million (the "Initial Term Loan") into two tranches: (i) the consenting lender term loan tranche (i.e., lenders that sign the Third A&R Credit Documents) and (ii) the non-consenting lender term loan tranche (i.e., lenders that do not sign the Third A&R Credit Documents). The Third A&R Credit Documents will also leave in place the revolving credit facility of \$50.0 million (the "Initial Revolving Facility"), which provides for swing line loans of up to \$20.0 million ("Swing Line Loans") and standby and commercial letters of credit. Obligations under the Third A&R Credit Agreement will be guaranteed by all of the present and future assets of the Company, Intermediate Holdings and the Subsidiary Guarantors, subject to customary carve-outs.

Interest on the consenting lender term loan tranche will accrue at a *per annum* rate of, at the Company's option, (x) LIBOR plus a margin of 8.25% or (y) an alternate base rate plus a margin of 7.25%; provided, however, that upon achieving a First Lien Net Leverage Ratio (as defined below) of no greater than 2.67:1.00, the margin shall permanently step down to (y) for LIBOR loans, 6.75% and (x) for alternative base rate loans, 5.75%. Interest on the non-consenting lender term loan tranche will stay at a *per annum* rate of, at the Company's option, (x) LIBOR plus a margin of 6.25% or (y) an alternate base rate plus a margin of 5.25%. Interest on Initial Revolving Facility borrowings and Swing Line Loans accrues at a rate of, at the Company's option, (x) LIBOR plus a margin of 4.25% or (y) the applicable base rate plus a margin of 3.25%. Default interest will accrue on the obligations at the otherwise applicable rate plus 3%.

The consenting lender term loan tranche will be subject to “hard call” protection of a customary makewhole for the first year after the effective date of the Third A&R Credit Documents and 103% for the second year after the effective date of the Third A&R Credit Documents. The call protection will include certain carveouts for a change of control or partial takeout with junior capital. The non-consenting lender term loan tranche will be subject a “soft call” of 101% until September 25, 2019.

The Initial Revolving Facility will be required to be repaid and terminated on September 25, 2023. Borrowings under the Initial Revolving Facility will be able to be paid and reborrowed. The Initial Term Loan will mature on September 25, 2024. Borrowings under the Initial Term Loan will be required to be repaid on the last business day of each March, June, September and December, continuing with the first fiscal quarter following the effective date of the Third A&R Credit Agreement, in an amount equal to 2.5% of the initial balance of the Initial Term Loan and will not be able to be reborrowed.

Beginning with 2020, an additional annual payment of a percentage of Excess Cash Flow (as defined in the Third A&R Credit Agreement) over the prior year will be required on the Initial Term Loan depending upon the First Lien Net Leverage Ratio as of the last day of such year. The First Lien Net Leverage Ratio will be defined as the ratio of: (A) the excess of (i) consolidated total debt that, as of such date, is secured by a lien on any asset of property of the Company or any restricted subsidiary that is not expressly subordinated to the lien securing the obligations under the Third A&R Credit Agreement, over (ii) certain net cash as of such date not to exceed \$50,000,000, to (B) consolidated EBITDA, calculated on a pro forma basis for the most recently completed measurement period. The required payment percentage of Excess Cash Flow depending upon the First Lien Net Leverage Ratio will be as follows:

| Required Payment Amount | Ratio |
|--------------------------------|--|
| 100% of Excess Cash Flow | Greater than 5.00 : 1.00 |
| 75% of Excess Cash Flow | Less than or equal to 5.00 : 1.00 but greater than 1.76 : 1.00 |
| 50% of Excess Cash Flow | Less than or equal to 1.76 : 1.00 but greater than 1.26 : 1.00 |
| 25% of Excess Cash Flow | Less than or equal to 1.26 : 1.00 but greater than 0.76 : 1.00 |
| 0% of Excess Cash Flow | Less than or equal to 0.76 : 1.00 |

Under the Third A&R Credit Agreement, the Company will be required to not permit the First Lien Net Leverage Ratio, as of the last day of any consecutive four fiscal quarter period to be greater than:

| Measurement Period | Ratio |
|---|--------------|
| From and after fiscal quarter ending March 31, 2019 through December 31, 2019 | 4.75 : 1.00 |
| From and after fiscal quarter ending March 31, 2020 through December 31, 2020 | 3.50 : 1.00 |
| From and after fiscal quarter ending March 31, 2021 through December 31, 2021 | 2.75 : 1.00 |
| From and after the fiscal quarter ending March 31, 2022 | 2.25 : 1.00 |

Under the Third A&R Credit Agreement, the Company will not be able to obtain an equity cure for any fiscal quarter ending in 2019, excluding the Series B Preferred Stock. Thereafter, the Company will have access to a customary equity cure.

In addition, the Company and Borrower will be subject to affirmative covenants, including, but not limited to, requiring (i) delivery of financial statements, budgets and forecasts; (ii) delivery of certificates and other information; (iii) delivery of notices (of any default, force majeure event, material adverse condition, ERISA event, material litigation or material environmental event); (iv) payment of tax obligations; (v) preservation of existence; (vi) maintenance of properties; (vii) maintenance of insurance; (viii) compliance with laws; (ix) maintenance of books and records; (x) inspection rights; (xi) use of proceeds; (xii) covenants to guarantee obligations and give security; (xiii) compliance with environmental laws; and (xiv) ongoing communication with Lenders.

The Company and Borrower will also subject to additional negative covenants, some of which will include less flexibility than the corresponding negative covenants in the A&R Credit Agreement, including, but not limited to, restrictions (subject to certain exceptions) on (i) liens; (ii) indebtedness (including guarantees and other contingent obligations); (iii) investments (including loans, advances and acquisitions); (iv) mergers and other fundamental changes; (v) sales and other dispositions of property or assets; (vi) payments of dividends and other distributions and share repurchases; (vii) changes in the nature of the business; (viii) transactions with affiliates; (ix) burdensome agreements; (x) payments and modifications of certain

debt instruments; (xi) changes in fiscal periods; (xii) amendments of organizational documents; (xiii) division/series transactions; and (xiv) sale and lease-back transactions.

Events of default under the Third A&R Credit Agreement will include, but not be limited to, (i) failure to pay any principal or interest when due; (ii) any material breach of the representations and warranties made in the Third A&R Credit Agreement; (iii) failure to observe or perform covenants; and (iv) certain events of bankruptcy and judgements. Upon any event of default, the Lenders will be permitted to cease making loans, declare the unpaid principal amount of all outstanding loans and all other obligations immediately due and payable, enforce liens and security interests, and exercise all other rights and remedies available under the loan documents or applicable law.

The description of the Third A&R Credit Agreement above is not a complete summary, and the actual version we enter into may differ.

Item 6. Exhibits

(a) Exhibits.

| Exhibit Number | Description |
|-----------------------|--|
| 10.2* | <u>Equity Commitment Agreement, by and among Infrastructure and Energy Alternatives, Inc. and the Commitment Parties thereto, dated as of May 14, 2019.</u> |
| 31.1* | <u>Certification of the Principal Executive Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u> |
| 31.2* | <u>Certification of the Principal Financial Officer required by Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u> |
| 32.1** | <u>Certification of the Principal Executive Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</u> |
| 32.2** | <u>Certification of the Principal Financial Officer required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.</u> |
| 101.INS* | XBRL Instance Document |
| 101.SCH* | XBRL Taxonomy Extension Schema Document |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document |

* Filed herewith.

** Furnished hereiwth.

SIGNATURE

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

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

Dated: May 15, 2019

By: /s/ JP Roehm

Name: JP Roehm

Title: Chief Executive Officer

Dated: May 15, 2019

By: /s/ Andrew D. Layman

Name: Andrew D. Layman

Title: Chief Financial Officer

Dated: May 15, 2019

By: /s/ Bharat Shah

Name: Bharat Shah

Title: Chief Accounting Officer

EQUITY COMMITMENT AGREEMENT BY AND AMONG

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC., THE COMMITMENT PARTIES PARTY HERETO

AND

OAKTREE POWER OPPORTUNITIES FUND III DELAWARE, L.P. (SOLELY FOR PURPOSES OF SECTION 5.7, 5.8, 6.3 AND 9.14)

Dated as of May 14, 2019

Infrastructure and Energy Alternatives, Inc.

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EQUITY COMMITMENT AGREEMENT

THIS EQUITY COMMITMENT AGREEMENT (together with all exhibits and schedules hereto, as each may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof, this “Agreement”), dated as of May 14, 2019, is made by and among Infrastructure and Energy Alternatives, Inc., a Delaware corporation (the “Company”), each Commitment Party (defined below) and, (solely for purposes of Section 5.7, 5.8, 6.3 and 9.14), Oaktree Power Opportunities Fund III Delaware, L.P., a Delaware limited partnership. The Company and each Commitment Party is referred to herein individually as a “Party”, and, collectively as the “Parties.”

RECITALS

WHEREAS, subject to the terms and conditions contained in this Agreement, at the Closing (as defined below), the Company intends to issue and sell to the Commitment Parties, for an amount in cash equal to \$50,000,000 in the aggregate, (a) an aggregate of 50,000 shares of newly created fully paid and non-assessable Series B preferred stock of the Company, par value \$0.0001 per share, on the terms set forth in the Certificate of Designations (as defined below) (the “Series B Preferred Stock”) and (b) Warrants (as defined below) exercisable into an aggregate of 10% of the shares of Common Stock (as defined below) of the Company issued and outstanding at Closing on a Fully Diluted Share Count basis, and the Commitment Parties desire to purchase the Series B Preferred Stock and the Warrants from the Company;

WHEREAS, subject to the terms and conditions contained in this Agreement, each Commitment Party has agreed (on a several and not joint basis) to commit their respective Commitment Amounts to purchase such number of shares of Series B Preferred Stock and a pro rata portion of the Warrants to be issued at Closing, in each case, as set forth next to such Commitment Party’s name on the Commitment Schedule; and

WHEREAS, the board of directors of the Company has unanimously determined that this Agreement and the transactions contemplated hereby are advisable, fair and in the best interests of the Company and its stockholders.

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, the Company (on behalf of itself and each of its direct and indirect Subsidiaries) and each of the Commitment Parties (on its own behalf) hereby agrees as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions.

Except as otherwise expressly provided in this Agreement, whenever used in this Agreement (including any Exhibits and Schedules hereto), the following terms shall have the respective meanings specified therefor below:

"A&R Investor Rights Agreement" has the meaning set forth in Section 5.8.

"A&R Registration Rights Agreement" has the meaning set forth in Section 5.7.

"Additional Common Stock" has the meaning set forth in Section 5.6(e).

"Additional Warrant Percentage" means a percentage equal to (x) the Warrant Multiplication Factor *multiplied by* (y) 6.0%

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, Controls or is Controlled by or is under common Control with such Person; provided, however, that none of the Commitment Parties or any of their respective Affiliates or Affiliated Funds shall be deemed to be an Affiliate of the Company or any of its direct and indirect Subsidiaries for purposes of this Agreement. "Affiliated" has a correlative meaning.

"Affiliated Fund" means, in relation to each Commitment Party, any investment fund the primary investment advisor to or manager of which is such Commitment Party or an Affiliate thereof.

"Agreement" has the meaning set forth in the Preamble.

"Applicable Share Factor" means, (a) with respect to a calculation made with respect to an issuance to Ares or its Affiliates pursuant to Section 5.6(e), 3/45 and (b) with respect to a calculation made with respect to an issuance to Oaktree Buyer or its Affiliates, pursuant to Section 5.6(e), 2/45 partnership.

"Ares" means Ares Special Situations Fund IV, L.P., a Delaware limited

"Ares Director" has the meaning set forth in Section 5.8.

"Ares Expense Reimbursement Payment" means all costs and expenses incurred by Ares and its Affiliates (including attorney and advisor fees) prior to, on or after the date hereof in connection with the examination, review, due diligence investigation, documentation, negotiation, closing and funding of the transactions contemplated by this Agreement.

"Available Equity" means the shares of Series B Preferred Stock and the Warrants that any Commitment Party fails or will fail to purchase as a result of a Commitment Party Default by such Commitment Party.

"Board" means the Board of Directors of the Company.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks are required or permitted to be closed in the State of California or the State of New York.

"Capital Stock" means (a) any shares, interests, participations or other equivalents (however designated) of capital stock of a corporation; (b) any ownership interests in a Person other than a corporation, including membership interests, partnership interests, joint venture interests and beneficial interests; and (c) any warrants, options, convertible or exchangeable securities, subscriptions, rights (including any preemptive or similar rights), calls or other rights to purchase or acquire any of the foregoing.

“Certificate of Designations” means that certain Certificate of Designations of Series B Preferred Stock of the Company, which sets forth the rights and obligations of the holders of Series B Preferred Stock, substantially in the form attached hereto as Exhibit A.

“Closing” has the meaning set forth in Section 2.2(a).

“Closing Date” has the meaning set forth in Section 2.2(a).

“Commitment” has the meaning set forth in Section 2.1(a).

“Commitment Amount” means the “Commitment Amount” set forth next to the name of each Commitment Party on the Commitment Schedule.

“Commitment Party” means the Commitment Parties set forth on the Commitment Schedule, acting in their capacity as such and including each of their successors and permitted assigns.

“Commitment Party Default” means the failure (or communication of an imminent failure) by a Commitment Party to deliver and pay (or cause to be delivered and paid) the aggregate Commitment Amount of such Commitment Party when due in accordance with Section 2.1(a).

“Commitment Party Replacement” has the meaning set forth in Section 2.1(c).

“Commitment Schedule” means Schedule 1 to this Agreement, as may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

“Common Stock” means the common stock, par value \$0.0001 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

“Company” has the meaning set forth in the Preamble.

“Contract” means any agreement, contract or instrument, including any loan, note, bond, mortgage, indenture, guarantee, deed of trust, license, franchise, commitment, lease, franchise agreement, letter of intent, memorandum of understanding or other obligation, and any amendments thereto, whether written or oral.

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or agency or otherwise. “Controlled” has a correlative meaning.

“Credit Agreement” means that certain Second Amended and Restated Credit and Guarantee Agreement, dated as of September 25, 2018, as amended and restated as of November 2, 2018, as further amended and restated as of November 16, 2018 and as further amended and restated on or about the date hereof.

“Defaulting Commitment Party” means in respect of a Commitment Party Default that is continuing, the applicable defaulting Commitment Party.

“Definitive Documents” means this Agreement, the Certificate of Designations, the A&R Registration Rights Agreement, the Warrant Certificate and each of the other agreements and instruments entered into and delivered by the Parties hereto in connection with the transactions contemplated hereby.

“Deleveraging Transaction” means a debt or equity financing with the Company or any of its Subsidiaries resulting in a deleveraging of the Company’s consolidated balance sheet; provided that “Deleveraging Transaction” shall not include (a) the issuance of Junior Stock (as defined in the Certificate of Designations) or other Capital Stock that is junior in preference to the Series B Preferred Stock following the Closing in an amount not to exceed \$25,000,000 in the aggregate and (b) the public offering of Capital Stock of the Company or any of its Subsidiaries made on the Principal Market or the New York Stock Exchange.

“EBITDA” means Adjusted EBITDA for the Company as calculated in accordance with the Company’s definition of Adjusted EBITDA in the Company’s most recent earnings release, prior to the date hereof, furnished as an exhibit under Item 2.02 of a Form 8-K filed by the Company with the Securities and Exchange Commission.

“Fully Diluted Share Count” means the sum of (x) the number of shares of Common Stock outstanding on the Closing Date *plus* (y) the number of shares of Common Stock that may be issued pursuant to all restricted stock awards, restricted stock units, stock options and any other securities or rights (directly or indirectly) convertible into, exchangeable for or to subscribe for Common Stock that are outstanding on the Closing Date (excluding any shares of Common Stock issuable (a) pursuant to Section 3.6 of the Merger Agreement, (b) upon conversion of shares of Series A Preferred Stock, (c) upon the exercise of any warrant with an exercise price of \$11.50 or higher or (d) upon the exercise of any equity issued pursuant to the Company’s long term incentive plan or other equity plan with a strike price of \$11.50 or higher).

“Fundamental Representations” has the meaning set forth in Section 7.4.

“GAAP” means United States generally accepted accounting principles, consistently applied, as in effect from time to time.

“Governmental Entity” means any applicable nation, state, county, city, town, village, district or other political jurisdiction of any nature, federal, state, local, municipal, foreign, or other government, governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), stock exchange, multi-national organization or body, or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or Taxing authority or power of any nature or instrumentality of any of the foregoing, including any entity or enterprise owned or controlled by a government or a public international organization or any of the foregoing.

“Indebtedness” means (a) any indebtedness or other obligation for borrowed money, whether current, short-term or long-term and whether secured or unsecured; (b) any indebtedness evidenced by any note, bond, debenture or other security or similar instrument; (c) any liabilities with respect to interest rate or currency swaps, collars, caps and similar hedging obligations; (d) any liabilities in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which liabilities are required to be classified and accounted for under GAAP as capital leases; (e) any liabilities under any performance bond or letter of credit or any bank overdrafts and similar charges; (f) any accrued interest, premiums, penalties and other obligations relating to the foregoing items in clauses (a) through (e); and (g) any indebtedness referred to in clauses (a) through (f) above of any Person that is either guaranteed (including under any “keep well” or similar arrangement) by, or secured (including under any letter of credit, banker’s acceptance or similar credit transaction) by any Lien upon any property or asset owned by, the Company or any of its Subsidiaries.

“Indemnified Person” has the meaning set forth in Section 7.1.

“Indemnifying Party” has the meaning set forth in Section 7.1.

“Investor Rights Agreement” means that certain Investor Rights Agreement, dated as of March 26, 2018, as amended through the date hereof.

“Law” means any law, statute, code, ordinance, regulation or rule of any Governmental Entity.

“Lien” means any lien, adverse claim, charge, option, right of first refusal, preemptive right, servitude, security interest, mortgage, pledge, deed of trust, easement, encumbrance, restriction on transfer, Taxes, conditional sale or other title retention agreement, defect in title or other restrictions of any kind; provided that restrictions on transfer arising under applicable securities Laws shall not be Liens.

“Losses” has the meaning set forth in Section 7.1.

“LTM EBITDA” means, for any date, EBITDA calculated for the period of the last twelve months ended on such date.

“Material Adverse Effect” means any effect, change, event, development, condition or occurrence that, individually or together with one or more effects, changes, events, developments, conditions or occurrences, has had or would

be reasonably expected to have or result in a material adverse effect or material adverse change on the business, assets, liabilities, properties, financial condition or operating results of the Company and its Subsidiaries, taken as a whole, or to the ability of the Company to consummate timely the transactions contemplated by this Agreement.

“Material Contract” means any Contract that would be required to be filed by the Company as a “material contract” pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act.

“Measurement Date” means the last calendar day of each calendar month which falls in the twelve (12)-month period commencing on the first (1st) anniversary of the Closing Date and ending on the second (2nd) anniversary of the Closing Date.

“Merger Agreement” means that certain Agreement and Plan of Merger, dated November 3, 2017, by and among the Company, IEA Energy Services, LLC, a Delaware limited liability company, Infrastructure and Energy Alternatives, LLC, a Delaware limited liability company, and the other parties thereto.

“Non-Defaulting Commitment Party” has the meaning set forth in Section 2.1(c).

“Nasdaq 20% Rule” has the meaning set forth in Section 5.6(f).

“Oaktree” means Oaktree Power Opportunities Fund III Delaware, L.P.

“Oaktree Buyer” means OT POF IEA Preferred B Aggregator, L.P.

“Oaktree Buyer Expense Reimbursement Payment” means all costs and expenses incurred by Oaktree Buyer and its Affiliates (including attorney and advisor fees) prior to, on or after the date hereof in connection with the examination, review, due diligence investigation, documentation, negotiation, closing and funding of the transactions contemplated by this Agreement.

“Order” means any judgment, order, award, injunction, writ, permit, license, settlement or decree issued, promulgated, made, rendered or entered into by or with any Governmental Entity or arbitrator of applicable jurisdiction (in each case, whether temporary, preliminary or permanent).

“Party” or “Parties” has the meaning set forth in the Preamble.

“Per Share Purchase Price” shall mean \$1,000.

“Person” means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, association, trust, Governmental Entity or other entity or organization.

“Placement Agent” means Guggenheim Securities LLC.

“Principal Market” means the Nasdaq Capital Market.

“Registration Rights Agreement” means that certain Amended and Restated Registration Rights Agreement, dated as of March 26, 2018, as amended through the date hereof.

“Related Party” means, with respect to any Person, (a) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of such Person and (b) any former, current or future director, officer, agent, Affiliate, employee, general or limited partner, member, manager or stockholder of any of the foregoing.

“Representatives” means, with respect to any Person, such Person’s directors, officers, members, partners, managers, employees, agents, investment bankers, attorneys, accountants, advisors and other representatives.

“ROFR Exercise Notice” has the meaning set forth in Section 5.5(b)(ii).

“ROFR Notice” has the meaning set forth in Section 5.5(b)(i).

“ROFR Option Period” has the meaning set forth in Section 5.5(b)(ii).

“ROFR Party” has the meaning set forth in Section 5.5(b).

“ROFR Purchase Terms” has the meaning set forth in Section 5.5(b)(i).

“Securities Act” means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

“Series A Certificate of Designations” means that certain Certificate of Designations of Series A Preferred Stock of the Company that was filed with the Secretary of State of the State of Delaware on March 29, 2018.

“Series A Preferred Stock” means the Series A preferred stock of the Company, par value \$0.0001 per share.

“Series B Preferred Stock” has the meaning set forth in the Recitals.

“Stockholder Rule 5635 Approval” has the meaning set forth in Section 5.6(f).

“Stockholders’ Representative” has the meaning set forth in the Certificate of Designations.

“Subsidiary” means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other subsidiary), (a) owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests, (b) has the power to elect a majority of the board of directors or similar governing body, or (c) has the power to direct the business and policies.

“Tax Contest” means any audit, suit, conference, action, assessment, investigation, claim, administrative or judicial proceeding, or other similar interaction with a Governmental Entity with respect to any Tax.

“Tax Returns” means any and all reports, returns, declarations, claims for refund, elections, disclosures, estimates, information reports or returns or statements supplied or required to be supplied to a Governmental Entity in connection with Taxes, including any schedule or attachment thereto or amendment thereof.

“Taxes” means (i) all taxes, assessments, duties, levies or other similar governmental charges paid or payable to a Governmental Entity, including all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, excise, severance, windfall profits, stamp, payroll, social security, withholding and other taxes, assessments, duties, levies (whether payable directly or by withholding and whether or not requiring the filing of a return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest thereon, (ii) any liability for such amounts described in clause (i) as a result of being a member of a combined, consolidated, unitary, or affiliated group and (iii) any and all liability for the payment of any amounts described above in clauses (i) and (ii) as a result of any express or implied obligation to indemnify any other person, or any successor or transferee liability. “Taxing” and “Taxation” each have a correlative meaning.

“Termination Date” has the meaning set forth in Section 8.1(b).

“Third Party Claim” has the meaning set forth in Section 7.2.

“Waiver” means a waiver and release (in form and substance acceptable to Ares in its sole discretion) by the lenders representing at least 50.1% of the Indebtedness evidenced under the Credit Agreement of any claims and any events of default and acceleration of payment under and related to such agreement and such other amendments as acceptable to Ares in its sole discretion.

“Warrant Certificate” means the certificate in substantially the form attached hereto as Exhibit B.

“Warrant Multiplication Factor” means the quotient of (x) \$100,000,000 *minus* LTM EBITDA on the relevant Measurement Date *divided by* (y) \$12,500,000.

“Warrants” means warrants to purchase shares of Common Stock, at an exercise price of \$0.0001 per share, represented by and on the terms set forth herein and in the Warrant Certificate (including Warrants as may be issued pursuant to and in accordance with Section 5.6).

Section 1.2 Construction.

In this Agreement, unless the context otherwise requires:

- (a) references to Articles, Sections, Exhibits and Schedules are references to the articles and sections or subsections of, and the exhibits and schedules attached to, this Agreement;
- (b) references in this Agreement to “writing” or comparable expressions include a reference to a written document transmitted by means of electronic mail in portable document format (pdf), facsimile transmission or comparable means of communication;
- (c) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;
- (d) the words “hereof,” “herein,” “hereto” and “hereunder,” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits and Schedules attached to this Agreement, and not to any provision of this Agreement;
- (e) the term “this Agreement” shall be construed as a reference to this Agreement as the same may have been, or may from time to time be, amended, modified, varied, novated or supplemented;
- (f) “include,” “includes” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words;
- (g) references to “day” or “days” are to calendar days;
- (h) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day;
- (i) references to “the date hereof” means the date of this Agreement;
- (j) unless otherwise specified, references to any Law means such Law as amended from time to time and includes any successor Law thereto and any rules or regulations promulgated thereunder in effect from time to time; and
- (k) references to “dollars” or “\$” refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II

COMMITMENT

Section 2.1 The Commitment and Issuance.

- (a) On the terms and subject to the conditions set forth herein, each Commitment Party hereby agrees, severally and not jointly, to purchase (or cause certain of its or its Affiliates’ managed funds, investment vehicles and/or accounts to purchase) (the “Commitment”), and the Company shall sell to such Commitment Party (or such managed funds, investment vehicles and/or accounts) for the applicable Commitment Amount, at the Closing, (i) the number of shares of Series B Preferred Stock set forth next to such Commitment Party’s name on the Commitment Schedule, free and clear of all Liens and (ii) Warrants to purchase a pro rata portion of 10% of the shares of Common Stock of the Company issued and outstanding at Closing on a Fully Diluted Share Count basis to each Commitment Party based on the percentages set forth next to such Commitment Party’s name on the Commitment Schedule, free and clear of all Liens.

(b) The Parties agree that the Series B Preferred Stock and Warrants shall be issued in reliance upon the exemption from registration set forth in Section 4(a)(2) of the Securities Act.

(c) Upon the occurrence of a Commitment Party Default by a Commitment Party, the non-defaulting Commitment Party (a “Non-Defaulting Commitment Party”) shall have the right, but not the obligation, within three (3) Business Days after delivery of notice by the Company to all Commitment Parties (delivered in accordance with Section 9.1) of such Commitment Party Default (which notice shall be (i) given promptly following the occurrence of such Commitment Party Default and (ii) delivered to each Commitment Party concurrently) to elect to purchase all or any portion of the Available Equity (any such purchase, a “Commitment Party Replacement”) at the Per Share Purchase Price and otherwise on the terms and subject to the conditions set forth in this Agreement and in such amounts as may be agreed upon by the Commitment Parties electing to purchase all or any portion of the Available Equity; provided that nothing in this Agreement shall be deemed to obligate a Commitment Party to purchase more than the aggregate shares of Series B Preferred Stock and Warrants or pay an amount in excess of such Commitment Party’s Commitment Amount as set forth on the Commitment Schedule as of the date hereof; provided, further, that nothing set forth in this Section 2.1(c) shall diminish the right (if any) of a Commitment Party to terminate this Agreement upon the occurrence of a Commitment Party Default to the extent such a right is available pursuant to Section 8.1(e). No provision of this Agreement shall relieve any Defaulting Commitment Party from liability hereunder, or limit the availability of the remedies set forth in Section 9.9 or otherwise, in connection with any such Defaulting Commitment Party’s Commitment Party Default.

Section 2.2 Closing.

(a) The closing of the transactions contemplated hereby (the “Closing”) shall take place remotely via the electronic exchange of documents and signatures, or at such other time and place as the Parties may agree in writing, on the first (1st) Business Day after satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions); provided that in no event shall the Closing occur prior to May 20, 2019. The date on which the Closing actually occurs shall be referred to herein as the “Closing Date.” At the Closing, the Company shall issue the applicable Series B Preferred Stock and Warrants (plus any Available Equity to be purchased in accordance with Section 2.1(c)) to the applicable Commitment Party free and clear of all Liens against payment by such Commitment Party of its applicable Commitment Amount (plus the aggregate Per Share Purchase Price for the Available Equity being purchased by a Commitment Party, if any) in complete satisfaction of such Commitment Party’s Commitment.

(b) At the Closing, the Company shall:

(i) duly file, or cause to be duly filed, the Certificate of Designations with the Secretary of State of the State of Delaware and deliver a certified copy of the Certificate of Designations that was duly filed with the Secretary of State of the State of Delaware to each of the Commitment Parties;

(ii) deliver or cause to be delivered to each Commitment Party:

(A) physical stock certificates, or such other evidence reasonably acceptable to such Commitment Party, evidencing the ownership by such Commitment Party of the applicable number of shares of Series B Preferred Stock set forth on the Commitment Schedule (plus any Series B Preferred Stock included in any Available Equity that is purchased in accordance with Section 2.1(c), if any);

(B) a certificate of good standing of the Company as of a date no earlier than two (2) Business Days prior to the Closing Date;

(C) the certificate contemplated by Section 6.1(g);

(D) counterparts to Warrant Certificates representing the number of Warrants issued to each Commitment Party as set forth on the Commitment Schedule (plus any Warrants included in any Available Equity that is purchased in accordance with Section 2.1(c), if any), duly executed by the Company;

(E) counterparts to the A&R Registration Rights Agreement (in form and substance reasonably acceptable to Ares), duly executed by the Company and the other parties thereto;

(F) counterparts to the A&R Investor Rights Agreement (in form and substance acceptable to Ares), duly executed by the Company and the other parties thereto;

(G) copies of the resolutions or written consents duly adopted by the Board and certified by the Company's secretary authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby; and

(H) evidence, in form and substance satisfactory to Ares, that the Ares Director has been appointed to Board as of the Closing, as contemplated by the Certificate of Designations;

(iii) pay, or cause to be paid to Ares (which may be set off against Ares' Commitment Amount, at Ares' option), the unpaid portion of the Ares Expense Reimbursement Payment;

(iv) pay, or cause to be paid to Oaktree Buyer (which may be set off against Oaktree Buyer's Commitment Amount, at Oaktree Buyer's option), the unpaid portion of the Oaktree Buyer Expense Reimbursement Payment; and

(v) deliver or cause to be delivered any other customary documents or certificates reasonably requested by the Commitment Parties which are reasonably necessary to give effect to the Closing.

Section 2.3 Purchase Price Allocation.

The Parties agree that the aggregate fair market value of the Warrant on the date of its issuance is \$4.42 per share of Common Stock that each Warrant is exercisable into and that such amount of the Commitment Amount will be allocable to the Warrants ratably on the basis of the number of shares of Common Stock each Warrant is exercisable into with the balance of the Commitment Amount allocable to the Series B Preferred Stock for U.S. federal, and applicable state and local, income tax purposes. If a Commitment Party receives additional Warrants pursuant to Section 5.6, such additional Warrants will be treated as an adjustment to purchase price for U.S. federal, and applicable state and local, income tax purposes, and the allocation of the Commitment Amount pursuant to this Section 2.3 shall be readjusted accordingly. The Parties shall prepare their respective U.S. federal, and applicable state and local income Tax Returns in a manner consistent with the foregoing allocation.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Commitment Parties and the Placement Agent as of the date hereof and as of the Closing as set forth on Exhibit C hereto (which Exhibit C is hereby incorporated by reference thereto.)

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMMITMENT PARTIES

Each Commitment Party, severally and not jointly, represents and warrants as to itself only, as of the date hereof and as of the Closing as follows:

Section 4.1 Organization.

Such Commitment Party, is a legal entity duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of its jurisdiction of incorporation or organization.

Section 4.2 Organizational Power and Authority.

Such Commitment Party has the requisite power and authority (corporate or otherwise) to enter into, execute and deliver this Agreement and to perform its obligations hereunder and has taken or will take all necessary action (corporate or otherwise) required for the due authorization, execution, delivery and performance by it of this Agreement and the transactions contemplated hereby.

Section 4.3 Execution and Delivery.

This Agreement has been validly executed and delivered by such Commitment Party, and, assuming due and valid

execution and delivery hereof by the Company and the other Commitment Parties, will constitute valid and legally binding obligations of such Commitment Party, enforceable against such Commitment Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar Laws limiting creditors' rights generally or by equitable remedies (regardless of whether enforceability is considered in a proceeding at law or in equity).

Section 4.4 No Conflict.

The execution and delivery by such Commitment Party of this Agreement and the consummation of the transactions contemplated hereby (a) will not conflict with, or result in a breach, modification, termination or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time or both), or result in the acceleration of, or the creation of any Lien under, any Contract to which such Commitment Party is party or is bound or to which any of the property or assets or such Commitment Party are subject,

(a) will not result in any violation of the provisions of the certificate of incorporation or bylaws (or comparable constituent documents) of such Commitment Party, and (c) will not result in any material violation of any Law or Order applicable to such Commitment Party or any of its properties, except in each of the cases described in clauses (a) through (c), for any conflict, breach, modification, termination, violation, default, acceleration or Lien which would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 4.5 Consents and Approvals.

No consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity having jurisdiction over such Commitment Party or any of its properties is required for the execution and delivery by such Commitment Party of this Agreement, the compliance by such Commitment Party with the provisions hereof and the consummation of the transactions (including the purchase by such Commitment Party of Series B Preferred Stock and Warrants pursuant to its Commitment) contemplated hereby, except any consent, approval, authorization, Order, registration or qualification which, if not made or obtained, would not reasonably be expected, individually or in the aggregate, to prohibit or materially and adversely impact such Commitment Party's performance of its obligations under this Agreement.

Section 4.6 No Registration.

Such Commitment Party understands that (a) the Series B Preferred Stock and Warrants (including any shares of common stock of the Company issuable upon exercise thereof) have not been registered under the Securities Act by reason of a specific exemption or exclusion from the registration provisions of the Securities Act, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Commitment Party's representations as expressed herein or otherwise made pursuant hereto and (b) the foregoing securities cannot be sold unless subsequently registered under the Securities Act or an exemption or exclusion from registration is available.

Section 4.7 Purchasing Intent.

Such Commitment Party is acquiring the Series B Preferred Stock and Warrants (including any shares of common stock of the Company issuable upon exercise thereof) for its own account or accounts or funds over which it or its Affiliates or Affiliated Funds hold voting and/or investment discretion, not otherwise as a nominee or agent, and not otherwise with the view to, or for resale in connection with, any distribution thereof not in compliance with applicable securities Laws, and such Commitment Party has no present intention of selling, granting any other participation in, or otherwise distributing the same, except in compliance with applicable securities Laws.

Section 4.8 Sophistication; Investigation.

Such Commitment Party has such knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of its investment in the Series B Preferred Stock and Warrants (including any shares of common stock of the Company issuable upon exercise thereof). Such Commitment Party is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act and an "institutional account" within the meaning of Rule 4512 of the Financial Industry Regulatory Authority or a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act. Such Commitment Party understands and is able to bear any economic risks associated with such investment (including the necessity of holding such shares for an indefinite period of time). Except for the representations and warranties expressly set forth in this Agreement, such Commitment Party has independently evaluated the merits and risks of its decision to enter into this Agreement and consummate the transactions contemplated hereby. As of the date hereof, to its knowledge, such Commitment Party has

been furnished with all materials relating to the business, finances and operations of the Company, and materials relating to the offer and sale of the Series B Preferred Stock and Warrants, that have been requested by such Commitment Party. Such Commitment Party has been afforded the opportunity to ask questions and receive answers from the Company. Based on the information such Commitment Party has deemed appropriate, such Commitment Party has independently made its own analysis and decision to enter into this Agreement and the Registration Rights Agreement.

Section 4.9 Sufficient Funds.

Such Commitment Party has, or at the Closing will have, sufficient assets and the financial capacity to perform all of its obligations under this Agreement, including the ability to purchase the Series B Preferred Stock and Warrants required to fund such Commitment Party's Commitment Amount.

ARTICLE V

ADDITIONAL COVENANTS

Section 5.1 Covenants of the Company. During the period from the date hereof until the earlier of the Closing and the termination of this Agreement in accordance with Article VIII, the Company shall, and shall cause each of its direct and indirect Subsidiaries to, comply with the following covenants:

- (a) Affirmative Covenants: Except (x) as otherwise expressly required by this Agreement, (y) as required by applicable Law or (z) as consented to in writing by the Commitment Parties, during the period from the date hereof until the earlier of the Closing and the termination of this Agreement in accordance with Article VIII, the Company shall, and shall cause each of its direct and indirect Subsidiaries to:
 - (i) use commercially reasonable efforts to preserve, in all material respects, present business organizations and relationships with suppliers, customers, lenders and others having business dealings with the Company and/or its Subsidiaries,
 - (ii) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated by this Agreement, support and take all steps reasonably necessary and desirable to address and resolve any such impediment;
 - (iii) use good faith and commercially reasonable efforts to obtain all required Governmental Entity and/or third-party approvals for the consummation of the transactions contemplated by this Agreement;
 - (iv) inform counsel to the Commitment Parties as soon as reasonably practicable after becoming aware of: (A) any Material Adverse Effect to the consummation of the transactions contemplated by this Agreement, (B) any notice of any commencement of any material involuntary insolvency proceedings, legal suit for payment of debt or securement of security from or by any person in respect of the Company or any of its Subsidiaries, (C) a breach of this Agreement, and (D) any representation or statement made or deemed to be made by the Company or any of its Subsidiaries under this Agreement which is or proves to have been materially incorrect or misleading in any respect when made or deemed to be made;
 - (v) maintain the good standing of the Company and any material Subsidiaries of the Company under the Laws of the state or other jurisdiction in which they are incorporated or organized;
 - (vi) make all necessary registrations, declarations and filings with, and notices to, Governmental Entities (including under the Securities Exchange Act of 1934) (a) in the ordinary course of business consistent with past practice and (b) with respect to the transactions contemplated by this Agreement; and
 - (vii) operate their business in the ordinary course consistent with past practice;

- (viii) provide, and direct its Representatives to provide, to the Commitment Parties and their Representatives (A) reasonable access to the Company and its Subsidiaries' books and records during normal business hours on reasonable advance notice to the Company and its Subsidiaries' Representatives, (B) reasonable access to the Representatives of the Company and its Subsidiaries on reasonable advance notice to such persons and (C) such other information as reasonably requested by the Commitment Parties and their Representatives.
- (b) Negative Covenants: Except (x) as otherwise expressly required by this Agreement, (y) as required by applicable Law or (z) as consented to by the Commitment Parties in writing, during the period from the date hereof until the earlier of the Closing and the termination of this Agreement in accordance with Article VIII, the Company shall not, and shall cause each of its direct and indirect Subsidiaries not to:
 - (i) transfer any material property, asset or right of the Company or its Subsidiaries or any material property, asset or right used in the business of the Company and its Subsidiaries to any person or entity outside of the ordinary course of business consistent with past practice;
 - (ii) engage in any material disposition, acquisition, leasing, investment or other similar transaction (whether by merger, consolidation or otherwise) outside of the ordinary course of business consistent with past practice;
 - (iii) incur, create, assume, guarantee or otherwise become liable for any Indebtedness, other than trade indebtedness or Indebtedness under the Credit Agreement, in each case, in the ordinary course of business consistent with past practice;
 - (iv) amend the Company's or any of its Subsidiaries' organizational documents (whether by merger, consolidation or otherwise), other than the filing of the Certificate of Designations in accordance with the terms hereof;
 - (v) split, combine, reclassify, redeem, repurchase, acquire, issue or deliver or amend the terms of any Capital Stock of the Company or any of its Subsidiaries (whether by merger, consolidation or otherwise), other than the (A) transactions expressly contemplated by this Agreement and (B) the conversion of the Series A Preferred Stock into Common Stock pursuant to the Series A Certificate of Designations;
 - (vi) enter into any transactions with a Related Party (other than the (A) transactions expressly contemplated by this Agreement and (B) exercise by Oaktree or its Affiliates of any rights expressly granted under the Series A Certificate of Designations to holders of Series A Preferred Stock);
 - (vii) create or incur any Lien on any capital stock, assets or properties of the Company or any of its Subsidiaries, other than (a) Liens related to the Credit Agreement or capital leases or (b) immaterial Liens created or incurred in the ordinary course of business consistent with past practice;
 - (viii) adopt, establish, enter into, amend, terminate or increase the benefits under any of the Company's or its Subsidiaries' benefit plans, except for approval and adoption of annual compensation programs in the ordinary course of business consistent with past practice;
 - (ix) declare, set aside, make or pay any dividend or other distribution (whether in stock, cash, other property or any combination thereof) with respect to any Capital Stock of the Company and its Subsidiaries;
 - (x) amend or terminate any Material Contracts of the Company or its Subsidiaries, other than renewals, amendments, change orders and expirations of such Material Contracts in the ordinary course of business consistent with past practice;
 - (xi) waive, release, assign, settle or compromise any material action, suit, claim, cause of action, investigation, complaint, legal proceeding, administrative enforcement proceeding, arbitration

proceeding or other proceeding or adjudicative matter by or before any Governmental Entity;

- (xii) settle or compromise any material Tax Contest, consent to any extension or waiver of any limitation period with respect to any material claim or assessment for Taxes, make, change or revoke any material Tax election or materially change any of the Company's or its Subsidiaries' accounting principles and methodologies (other than as required by GAAP); or
- (xiii) agree, commit or offer to do any of the foregoing.

Section 5.2 Pre-Closing Exclusivity.

From the date hereof until the Closing or the earlier termination of this Agreement in accordance with Article VIII, (a) the Company shall not, and shall instruct its Affiliates and Representatives not to, directly or indirectly, initiate, solicit, facilitate, encourage, discuss, negotiate, endorse, engage in, enter into or accept any discussions, negotiations, proposals, inquiries, offers or agreements with any person or entity (other than the Commitment Parties and their Representatives) relating to the acquisition of the Company or its Subsidiaries, or any portion of their businesses (whether by merger, stock sale, asset sale or otherwise) or relating to the issuance of equity or debt by the Company or its Subsidiaries, (b) the Company shall, and shall instruct its Affiliates and Representatives to, immediately cease and cause to be terminated all existing discussions or negotiations with any third party (other than the Commitment Parties and their Representatives) conducted by or on behalf of the Company on or prior to the date of this Agreement in connection with any other transaction relating to the acquisition of the Company or any portion of its businesses whether by merger, stock sale, asset sale or otherwise or relating to the issuance of equity or debt by the Company or its Subsidiaries and (c) the Company shall promptly inform the Commitment Parties in the event that the Company or any of its Affiliates or Representatives receives any inquiry, proposal or offer that could reasonably be expected to lead to a transaction relating to the acquisition of the Company or its Subsidiaries, or any portion of their businesses or any debt or equity of the Company or its Subsidiaries.

Section 5.3 Further Assurances; Closing Conditions.

Prior to the Closing, each Party shall, and shall cause its Affiliates to (a) execute and deliver such additional instruments and other documents and shall take such further actions as may be reasonably requested by the other Parties as necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby and (b) use commercially reasonable efforts to cause the conditions set forth in Article VI to be satisfied and to consummate the transactions contemplated herein.

Section 5.4 Post-Closing Books and Records.

From and after the Closing, for so long as the Stockholders' Representative has the right to designate the Ares Director pursuant to Section 12 of the Series B Certificate of Designations, the Company shall, and shall cause its Subsidiaries to, afford to the Stockholders' Representative and its Representatives reasonable access, during normal business hours, in such manner as to not interfere with the normal operation of the Company and its Subsidiaries, to their respective properties, books, contracts, commitments, Tax Returns, records and appropriate officers and employees of the Company and its Subsidiaries, and shall furnish the Stockholders' Representative and its Representatives with financial and operating data and other information concerning the affairs of the Company and its Subsidiaries, in each case, as the Stockholders' Representative and/or its Representatives may reasonably request; provided that such access shall only be upon reasonable advance notice and all reasonable, out-of-pocket expenses incurred by the Company and its Subsidiaries to accommodate such investigation shall be at the Stockholder Representatives' sole cost and expense.

Section 5.5 ROFR Transactions.

From and after the Closing Date, through December 31, 2019:

- (a) the Company shall promptly inform Ares in the event that the Company or any of its Affiliates or Representatives receives any inquiry, proposal or offer from a third party for a transaction that could reasonably be expected to lead to a Deleveraging Transaction; and
- (b) if the Company or any of its Subsidiaries receives a bona fide offer from any Person (a "ROFR Party") to enter into a Deleveraging Transaction, and the Company or such Subsidiary, as applicable, desires to consummate such Deleveraging Transaction, the Company or such Subsidiary, as applicable, shall offer Ares the right to consummate such Deleveraging Transaction with the Company or its applicable Subsidiary, as applicable, subject to the following provisions:

- (i) the Company or the applicable Subsidiary shall deliver a written notice (a “ROFR Notice”) to Ares, specifying in reasonable detail the identity of the ROFR Party, the proposed terms, consideration and closing date of such Deleveraging Transaction (such terms collectively, the “ROFR Purchase Terms”) together with copies of the material definitive documents then available proposed to be entered into in connection with such Deleveraging Transaction and offering Ares the right to consummate such Deleveraging Transaction on the ROFR Purchase Terms;
- (ii) for a period of thirty (30) days after the ROFR Notice has been delivered to Ares (the “ROFR Option Period”), Ares shall have the right, but not the obligation, to elect to consummate such Deleveraging Transaction on the ROFR Purchase Terms set forth in the applicable ROFR Notice by delivering a written notice (a “ROFR Exercise Notice”) to the Company or such Subsidiary, as applicable, prior to the expiration of the ROFR Option Period, specifying Ares’ irrevocable acceptance of the ROFR Purchase Terms; and
- (iii) if, during the ROFR Option Period, a ROFR Exercise Notice is not delivered by Ares, then the Company or such Subsidiary, as applicable, may consummate such Deleveraging Transaction with the applicable ROFR Party on the applicable ROFR Purchase Terms within thirty (30) days following the expiration of the ROFR Option Period; provided that if the ROFR Purchase Terms materially change or such Deleveraging Transaction is not consummated prior to the end of such thirty (30) day period following the expiration of the ROFR Option Period, any such Deleveraging Transaction shall again be subject to this Section 5.5(b).

Section 5.6 Additional Warrants.

- (a) If LTM EBITDA on any Measurement Date is not equal to or greater than \$100,000,000, then the Company shall issue additional Warrants to each of the Commitment Parties pursuant to this Section 5.6.
- (b) If LTM EBITDA on any Measurement Date is not equal to or greater than \$87,500,000, the Warrants issued to the Commitment Parties pursuant to this Section 5.6 shall be exercisable into an aggregate number of shares of Common Stock equal to 6.0% of the Fully Diluted Share Count.
- (c) If LTM EBITDA on any Measurement Date is equal to or greater than \$87,500,000 but less than \$100,000,000, the Warrants issued to the Commitment Parties pursuant to this Section 5.6 shall be exercisable into an aggregate number of shares of Common Stock equal to the product of (x) the Additional Warrant Percentage *multiplied by* (y) the Fully Diluted Share Count.
- (d) The number of shares of Common Stock the Warrants issued to each Commitment Party pursuant to this Section 5.6 shall be exercisable into shall be allocated between the Commitment Parties on a pro rata basis based on the Percentage of Aggregate Commitments for each Commitment Party listed on the Commitment Schedule.
- (e) Post-Closing Warrant Adjustment. Within five (5) Business Days after any issuance, from time to time, of shares of Common Stock (i) to Oaktree or its Affiliates pursuant to Section 3.6 of the Merger Agreement, (ii) upon the conversion of any shares of Series A Preferred Stock, (iii) upon the exercise of any warrant with an exercise price of \$11.50 or higher and (iv) upon the exercise of any equity issued pursuant to the Company’s long term incentive plan or other equity plan with a strike price of \$11.50 or higher (collectively, all shares issued at such time pursuant to clauses (i) through (iv), the “Additional Common Stock”), the Company shall issue to Ares and Oaktree Buyer (or such Affiliate of Ares or Oaktree Buyer as each may direct), a number of additional Warrants equal to (x) the number of shares of such Additional Common Stock *multiplied by* (y) the Applicable Share Factor, which additional Warrants shall be adjusted pursuant to any Adjustments (as defined in the Warrant Certificate) that have occurred since the Closing Date.
- (f) Nasdaq Rule 5635. If the approval of the Company’s stockholders (the “Stockholder Rule 5635 Approval”) is required pursuant to Nasdaq Rule 5635 (or any other applicable Nasdaq Rules or any successor rule) (the “Nasdaq 20% Rule”) for the issuance of any Warrants pursuant to this Agreement (without giving effect to the limitations described below in clause (ii)):
 - (i) the Company agrees to use its commercially reasonable efforts to obtain the Stockholder Rule 5635 Approval as soon as reasonably practicable following the Closing, and
 - (ii) until Stockholder Rule 5635 Approval is obtained, in no event shall the Company issue Warrants pursuant to this Agreement that are exercisable into a number of shares of Common Stock exceeding the maximum number of shares of Common Stock (the “Cap Amount”) that the Company can, without Stockholder Rule 5635 Approval, issue in compliance with the Nasdaq 20% Rule. If the issuance of any Warrants pursuant to this Agreement after the Closing Date would cause the aggregate amount of Warrants issued under this Agreement to exceed the Cap Amount, such Warrants that may be issued without exceeding the Cap Amount shall be issued first to Ares until all Warrants issuable to Ares have been issued, and then the remainder shall be issued to Oaktree.

Section 5.7 A&R Registration Rights Agreement.

Prior to the Closing, the Company and Oaktree shall cause the Registration Rights Agreement to be duly amended and restated in accordance with the terms thereof to (a) provide Ares with substantially the same shelf registration rights, underwritten take down rights and piggyback rights as set forth in the Registration Rights Agreement (subject to appropriate thresholds) in respect of the Common Stock issuable upon exercise of the Warrants purchased by Ares and (b) add Oaktree

Buyer as a party to the Registration Rights Agreement with the same rights thereunder as granted to Oaktree (as amended and restated, the "A&R Registration Rights Agreement").

Section 5.8 A&R Investor Rights Agreement.

Prior to the Closing, the Company and Oaktree shall cause the Investor Rights Agreement to be duly amended and restated in accordance with the terms thereof to provide (a) Ares with the right to designate a director to the Board (the "Ares Director") pursuant to, and in accordance with the terms and conditions set forth in, Section 12 of the Series B Certificate of Designations and (b) the Ares Director with substantially the same indemnification rights thereunder as granted to directors of the Board thereunder (as amended and restated, the "A&R Investor Rights Agreement").

ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 6.1 Conditions to the Obligations of the Commitment Parties.

The obligations of each Commitment Party to consummate the transactions contemplated hereby shall be subject to (unless waived in accordance with Section 6.2) the satisfaction of the following conditions prior to or at the Closing:

- (a) Material Adverse Effect. Since May 14, 2019, there shall not have occurred a Material Adverse Effect.
- (b) Governmental Approvals. All authorizations, approvals, consents or clearances under applicable Law required in connection with the transactions contemplated by this Agreement shall have been obtained or filed.
- (c) No Legal Impediment to Issuance. No applicable Law will have been enacted or made effective and no Order will have been issued, promulgated, enforced or made that serves to restrain, enjoin, make illegal or prohibit the timely consummation of the transactions contemplated by this Agreement, and no action by a Governmental Entity will have been commenced and be continuing that seeks to restrain, enjoin, make illegal or prohibit the timely consummation of the transactions contemplated by this Agreement.
- (d) Accuracy of the Representations and Warranties. (i) The Fundamental Representations shall be true and correct in all respects as of the date hereof and as of the Closing as though made at and as of the Closing (other than such representations and warranties as are made as of an earlier date, which shall be so true and correct as of such earlier date) and (ii) the other representations and warranties of the Company set forth on Exhibit C (A) that are qualified by "materiality", "Material Adverse Effect" or similar qualifier shall be true and correct in all respects as of the date hereof and as of the Closing as though made at and as of the Closing (other than such representations and warranties as are made as of an earlier date, which shall be so true and correct as of such earlier date) and (B) that are not qualified by "materiality", "Material Adverse Effect" or similar qualifier shall be true and correct in all material respects as of the date hereof and as of the Closing as though made at and as of the Closing (other than such representations and warranties as are made as of an earlier date, which shall be so true and correct as of such earlier date).
- (e) Compliance with Covenants. The Company shall have performed and complied, in all material respects, with all of its covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing.
- (f) Delivery of Waiver. The Company shall have delivered or caused to be delivered the Waiver to the Commitment Parties, which Waiver shall be in full force and effect from and after the Closing.
- (g) Delivery of the Closing Certificate. The Company shall have delivered to each Commitment Party a certificate duly executed by the Chief Executive Officer of the Company certifying that the conditions set forth in clauses (a), (d) and (e) of this Section 6.1 have been fully satisfied.

(h) Other Deliverables and Actions. The Company shall have delivered or caused to be delivered and shall have taken each of the actions contemplated by Section 2.2(b).

(i) Commitments. Each of the other Commitment Parties shall have funded its applicable Commitment Amount at the Closing.

Section 6.2 Waiver of Conditions to Obligations of Commitment Parties.

All or any of the conditions set forth in Section 6.1 may only be waived in whole or in part by a written instrument executed by all of the Commitment Parties; provided that a Commitment Party may waive in writing any or all of the conditions set forth in Section 6.1 solely with respect to itself.

Section 6.3 Conditions to the Obligations of Ares.

In addition to the conditions set forth in Section 6.1 above, the obligation of Ares to consummate the transactions contemplated hereby (including, for the avoidance of doubt, the funding of Ares' Commitment Amount) shall be subject to (unless waived in writing by Ares) the following conditions precedent:

(a) A written consent and amendment pursuant to the Series A Certificate of Designations shall have been executed and signed by Oaktree and delivered to Ares, in form and substance reasonably satisfactory to Ares, (i) consenting to the transactions contemplated by this Agreement and (ii) providing that redemption of the shares of the Series A Preferred Stock shall be subordinated to the redemption of shares of the Series B Preferred Stock.

(b) Oaktree shall have caused its applicable Affiliates that hold shares of Common Stock to enter into a customary voting agreement with the Company, in form and substance reasonably satisfactory to Ares, to vote any shares of Common Stock beneficially owned by Oaktree and its Affiliates in favor of the Shareholder Rule 5635 Approval when proposed by the Company.

Section 6.4 Conditions to the Obligations of the Company.

The obligations of the Company to consummate the transactions contemplated hereby shall be subject to (unless waived in writing by the Company) the satisfaction of each of the following conditions prior to or at the Closing:

(a) Governmental Approvals. All authorizations, approvals, consents or clearances under applicable Law required in connection with the transactions contemplated by this Agreement shall have been obtained or filed.

(b) No Legal Impediment to Issuance. No applicable Law will have been enacted or made effective and no Order will have been issued, promulgated, enforced or made that serves to restrain, enjoin, make illegal or prohibit the consummation of the transactions contemplated by this Agreement, and no action by a Governmental Entity will have been commenced and be continuing that seeks to restrain, enjoin, make illegal or prohibit the consummation of the transactions contemplated by this Agreement.

ARTICLE VII

INDEMNIFICATION

Section 7.1 Indemnification Obligations.

Following the Closing, the Company and its direct and indirect Subsidiaries (the "Indemnifying Parties" and each, an "Indemnifying Party") shall, jointly and severally, indemnify and hold harmless each Commitment Party and their respective Affiliates (other than the Indemnifying Parties), equity holders, members, partners, general partners, managers and its and their respective Representatives and controlling persons (each, an "Indemnified Person") from and against any and all losses, claims, charges, damages, liabilities, debts, penalties, fines, costs and expenses (including reasonable costs of investigation and defense and reasonable attorneys' fees, costs and expenses) (collectively, "Losses") that any such Indemnified Person may incur or to which any such Indemnified Person or its assets or properties may become subject based upon, arising out of or in connection

with (i) any breach of, or any inaccuracy in, any representation or warranty made by the Company in this Agreement or in any of the Definitive Documents, and (ii) any breach or default in performance by the Company of any covenants, agreements or obligations contained in this Agreement or in any of the Definitive Documents. For the avoidance of doubt, (x) the amount of any Losses subject to indemnification pursuant to this Article VII paid to an Indemnified Person shall include a gross-up to take into account such Indemnified Person's and its Affiliates' and Affiliated Funds' ownership of Capital Stock in the Company such that, after payment of the grossed-up amount, such Indemnified Person will not have suffered any Losses and (y) the amount of any Losses for which indemnification is provided under this Article VII paid to an Indemnified Person shall be net of any amounts recovered by an Indemnified Person under insurance policies with respect to such Loss.

Section 7.2 Indemnification Procedure.

If any third party shall notify any Indemnified Person with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification under this Article VII, then the Indemnified Person shall promptly (and in any event within ten (10) Business Days after receiving notice of the Third Party Claim) notify each Indemnifying Party thereof in writing, describing the claim, the amount thereof (if known and quantifiable) and the basis of the claim; provided that the failure to so notify the Indemnifying Party shall not limit the indemnification obligations of the Indemnifying Parties under this Agreement, except to the extent that such failure to give notice has materially prejudiced a defense or claim that would have otherwise been available to the Indemnifying Party.

Section 7.3 Treatment of Indemnification Payments.

All amounts paid by an Indemnifying Party to an Indemnified Person under this Article VII shall, to the extent permitted by applicable Law, be treated as adjustments to the Per Share Purchase Price for all Tax purposes. The provisions of this Article

VII are an integral part of the transactions contemplated by this Agreement and without these provisions the Commitment Parties would not have entered into this Agreement.

Section 7.4 Survival.

All pre-Closing covenants and other agreements contained in this Agreement shall survive for a period of twelve (12) months. All covenants and other agreements contained in this Agreement which by their terms are to be performed following the Closing shall survive the Closing until fully performed. The representations and warranties made in this Agreement shall survive the Closing Date as follows: (a) the representations and warranties set forth in Section (a) (*Organization and Qualification*), Section (b) (*Authorization; Enforcement Validity*), Section (c) (*Issuance of Securities*), Section (g) (*No General Solicitation; Agent's Fees*), Section (p) (*Transactions with Affiliates*), Section (q) (*Equity Capitalization*) and Section (vv) (*Disclosure*) of Exhibit C (collectively, the "Fundamental Representations") shall survive indefinitely, (b) the representations and warranties in Section (v), (*Employee Relations*), Section (aa) (*Tax Status*) and Section (ll) (*ERISA Compliance*) of Exhibit C shall survive until the expiration of the statute of limitations plus sixty (60) days and (c) all other representations and warranties shall survive until the two (2)-year anniversary of the Closing.

Section 7.5 Commitment Party Liabilities.

The aggregate liabilities of any Commitment Party for Losses under this Agreement shall in no event exceed such Commitment Party's Commitment Amount; provided, however, that Losses arising out of the failure of a Commitment Party's obligation to fund its Commitment Amount pursuant to Section 2.1(a) shall in no event exceed such Commitment Party's Commitment Amount. For the avoidance of doubt, liabilities, if any, of each Commitment Party under this Agreement shall be several and not joint and several.

Section 7.6 Damages.

Notwithstanding anything to the contrary in this Agreement, none of the Parties will be liable for, and none of the Parties shall claim or seek to recover, any punitive, special, indirect or consequential (other than to the extent reasonably foreseeable) damages or damages for lost profits.

Section 7.7 Additional Matters.

For purposes of determining whether there has been a breach of a representation or warranty contained in this Agreement and for purposes of calculating Losses subject to indemnification pursuant to this Article VII, the representations and warranties contained in this Agreement shall be deemed to have been made without any qualifications as to materiality, Material Adverse Effect, specified dollar thresholds or similar qualifications.

Section 7.8 Exclusive Remedy.

From and after the Closing, the sole and exclusive remedy of each of the Commitment Parties with respect to any breach of a representation, warranty, covenant or agreement by the Company in this Agreement shall be pursuant (and only pursuant) to the indemnification provisions set forth in this Article VII; provided that nothing in this Section 7.8 shall limit (i) any claims for equitable remedies, and each Party shall be entitled to seek specific performance and injunctive relief and other equitable remedies in connection with any breach or threatened breach of a representation, warranty, covenant or agreement herein and (ii) any claims for fraud.

ARTICLE VIII

TERMINATION

Section 8.1 Termination.

This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Closing:

- (a) by mutual written consent of the Company and the Commitment Parties;

(b) by the Company or any of the Commitment Parties, upon written notice to the other Parties, if the transactions contemplated by this Agreement have not been consummated on or prior to 5:00 pm Pacific Time on May 20, 2019 (which date may be extended for up to an additional ten (10) Business Days to the extent necessary approval from the Principal Market for the transactions contemplated by the Definitive Documents has not been obtained by May 20, 2019) or such later date, if any, as the Company and the Commitment Parties may mutually agree upon in writing (such date, the “Termination Date”); provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b) shall not be available to any Party whose breach of any representation, warranty, covenant or other agreement contained in this Agreement is the primary cause of the failure of the Closing to occur on or prior to the Termination Date;

(c) by the Company or any of the Commitment Parties, upon written notice to the other Parties, if a Governmental Entity of competent jurisdiction has issued an Order or has taken any other action permanently enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement, and such Order or action has become final and non-appealable; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(c) shall not be available to any Party whose breach of any representation, warranty, covenant or other agreement contained in this Agreement is the primary cause of the failure to avoid such Order or other action;

if:

(d) by any of the Commitment Parties, upon written notice to the Company,

(i) (A) the Company has breached any representation, warranty, covenant or other agreement made by the Company in this Agreement or such representation or warranty shall have become inaccurate and such breach or inaccuracy would, individually or in the aggregate, cause a condition to the Closing to not be able to be satisfied, (B) the Commitment Party shall have delivered written notice of such breach or inaccuracy to the Company and (C) such breach or inaccuracy is not cured by the Company before the earlier of (x) the third (3rd) Business Day after receipt of such notice and (y) one (1) Business Day before the Closing Date;

(ii) the Company or any of its direct or indirect Subsidiaries (A) voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect; (B) consents to the institution of, or fails to contest in a timely and appropriate manner, any involuntary proceeding or petition described in the preceding subsection (A); (C) applies for or consents to the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequestrator, conservator or similar official with respect to the Company or any Affiliate or for a substantial part of the Company’s assets; (D) makes a general assignment or arrangement for the benefit of creditors; or (E) takes any corporate action for the purpose of authorizing any of the foregoing; or

(e) by a Non-Defaulting Commitment Party, upon written notice to the Company and the other Commitment Parties, if a Commitment Party Default occurs.

Section 8.2 Effect of Termination.

Upon termination of this Agreement pursuant to this Article VIII, this Agreement shall forthwith become void and there shall be no further obligations or liabilities on the part of the Parties; provided, that, the last sentence of Section 2.1(c) and Article IX shall survive the termination of this Agreement; provided further that nothing set forth in this Agreement shall relieve any Party from liability for any willful or intentional breach of this Agreement.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1 Notices.

All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given if delivered personally, sent via electronic facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the Parties at the following addresses (or at such other address for a Party as may be specified by like notice):

(a) If to the Company:

Infrastructure and Energy Alternatives, Inc.
6325 Digital Way, Suite 460

Attn: Gil Melman, Esq.
(765) 828-3513

Email: Gil.Melman@iea.net

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
333 South Hope Street 29th Floor

Los Angeles, CA 90071
Attn: Tana Ryan, Esq.
Tel: (213) 680-8430

Email: tryan@kirkland.com

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022

Attn: David A. Curtiss, Esq.
Tel: (212) 446 5974

Email: david.curtiss@kirkland.com

(b) If to the Commitment Parties:

To each Commitment Party at the addresses or e-mail addresses set forth below the Commitment Party's signature in its signature page to this Agreement.
with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas

New York, New York 10019-6064
Attention: Kenneth Schneider, Esq.

Attention: Chaim P. Theil, Esq.
Tel: (212) 373-3303

Tel: (212) 373-3448
Email: kschneider@paulweiss.com

Email: ctheil@paulweiss.com

and
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas

New York, New York 10019-6064
Attention: Ellen N. Ching, Esq.

Tel: (212) 373-3241

Email: eching@paulweiss.com

(c) If to Oaktree:

Oaktree
333 South Grand Avenue, 28th Floor
Los Angeles, CA 90071

Attention: Ian Schapiro
Attention: Peter Jonna
Email: ischapiro@oaktreecapital.com pjonna@oaktreecapital.com

with copies (which shall not constitute notice) to:
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas

New York, New York 10019-6064
Attention: Ellen N. Ching, Esq.

Tel: (212) 373-3241
Email: eching@paulweiss.com

Section 9.2 Assignment: Third Party Beneficiaries.

Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned or transferred (in whole or in part) by any Party (whether by operation of law or otherwise) without the prior written consent of the Company and the Commitment Parties, except as contemplated by Section 2.1(c), and any purported assignment or transfer in violation of this Section 9.2 shall be null and void *ab initio*. Except as provided in Article VII with respect to the Indemnified Persons, and except for the Placement Agent, which may rely upon Article III, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person any rights or remedies under this Agreement other than the Parties.

Section 9.3 Prior Negotiations: Entire Agreement.

This Agreement (including the agreements attached as Schedules and Exhibits to and the documents and instruments referred to in this Agreement, including the Definitive Documents) constitute the entire agreement of the Parties and supersede all prior agreements, arrangements or understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

Section 9.4 Governing Law; Venue; Forum.

THIS AGREEMENT (AND ANY CLAIMS OR CAUSE OF ACTION ARISING UNDER, OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR STATUTE) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each of the Parties irrevocably and unconditionally agrees that, subject to the immediately following sentence of this Section 9.4, any legal action, suit or proceeding against it with respect to any matter arising under, out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in the Delaware Chancery Court (or, if the Delaware Chancery Court shall be unavailable, then any federal court of the United States of America sitting in the State of Delaware), and by execution and delivery of this Agreement, each of the Parties: (a) irrevocably submits itself to the nonexclusive jurisdiction of such court, (b) waives any objection to laying venue in any such action, suit or proceeding and (c) waives any objection that such court is an inconvenient forum or does not have jurisdiction over such Party.

Section 9.5 Waiver of Jury Trial.

EACH PARTY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING UNDER, OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER IN CONTRACT, TORT OR STATUTE).

Section 9.6 Counterparts.

This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including via facsimile or other electronic transmission), it being understood that each Party need not sign the same counterpart.

Section 9.7 Waivers and Amendments; Rights Cumulative; Consent; Severability.

(a) This Agreement may be amended, restated, modified or changed only by a written instrument signed by the Company and all of the Commitment Parties.

(b) Notwithstanding the foregoing, the Commitment Schedule shall be revised as necessary, without requiring a written instrument signed by the Company and the Commitment Parties as a result of the applicability of Section 2.1(c) hereof.

(c) The terms and conditions of this Agreement may be waived (A) by the Company only by a written instrument executed by the Company and (B) by the Commitment Parties only by a written instrument executed by the Commitment Parties. No delay on the part of any Party in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any Party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement.

(d) In the event that any provision hereof would be invalid or unenforceable in any respect under applicable Law, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable Law. The provisions hereof are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 9.8 Headings.

The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 9.9 Specific Performance.

It is understood and agreed by the Parties that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions without the necessity of posting a bond to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude

a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity.

Section 9.10 Publicity.

Except as may be required to comply with the requirements of any applicable Law, including the federal securities laws, or the rules and regulations promulgated by the U.S. Securities and Exchange Commission or Nasdaq, no Party will, and each Party will cause its Affiliates and its Representatives not to, issue any press release or other public announcement relating to the subject matter of this Agreement or the transactions contemplated by this Agreement without the prior written approval (which approval will not be unreasonably withheld, conditioned or delayed) of the other Parties; provided that, in any event, the use of a Commitment Party's name, or the names of any of its Affiliated funds, investment vehicles and/or managed accounts, in any press release or public announcement shall require the prior written consent of such Commitment Party (which consent shall not be unreasonably withheld, conditioned or delayed).

Section 9.11 No Recourse.

Notwithstanding anything that may be expressed or implied in this Agreement, and notwithstanding the fact that certain of the Parties may be partnerships or limited liability companies, each Party covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any Party's Affiliates, Affiliated Funds or Related Parties or Representatives or any of such Party's Affiliates', Affiliated Funds' or Related Parties' Affiliates or Representatives in each case other than the Parties to this Agreement and each of their respective successors and permitted assigns under this Agreement, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of the Related Parties or Representatives, as such, for any obligation or liability of any Party under this Agreement or any documents or instruments delivered in connection herewith for any claim based on, in respect of or by reason of such obligations or liabilities or their creation; provided, however, that nothing in this Section 9.11 shall relieve or otherwise limit the liability of any Party hereto or any of their respective successors or permitted assigns for any breach or violation of its obligations under this Agreement or such other documents or instruments. For the avoidance of doubt, none of the Parties will have any recourse, be entitled to commence any proceeding or make any claim under this Agreement or in connection with the transactions contemplated hereby except against any of the Parties or their respective successors and permitted assigns, as applicable.

Section 9.12 Relationship Among Parties.

(a) Notwithstanding anything herein to the contrary, the duties and obligations of the Commitment Parties arising under this Agreement shall be several, not joint. Nothing contained herein and no action taken by any Commitment Party pursuant to this Agreement shall be deemed to constitute or to create a presumption by any parties that the Commitment Parties, are in any way acting in concert or as a "group" (or a joint venture, partnership or association), and the Company will not assert any such claim with respect to such obligations or the transactions contemplated by this Agreement. The Company acknowledges and each Commitment Party confirms that it has independently participated in the negotiation of the transactions contemplated under this Agreement with the advice of counsel and advisors.

(b) In connection with any matter requiring consent or a request of the Commitment Parties under this Agreement, there is no requirement or obligation that such holders agree among themselves to take such action and no agreement among such holders with respect to any such action. In connection with any matter that may be requested by the Commitment Parties, each such holder may, through its counsel, make such request; provided, that the Company will only be required to take such action if it receives the request of the Commitment Parties, as the case may be. In connection with any matter requiring consent of the Commitment Parties hereunder, the Company will solicit consent independently from each such holder or its respective counsel; provided, that such consent shall only be granted if the approval of the Commitment Parties (as applicable) is obtained.

(c) The Company acknowledges that each Commitment Party may be (or may be affiliated with) a full service financial firm and as such from time to time may, together with its Affiliates, effect transactions for its own account or the account of customers, and hold long or short positions in debt or equity securities or loans of business entities that may be the subject of the transactions contemplated by this Agreement. The Company hereby waives and releases, to the fullest extent permitted by Law, any claims the Company may have with respect to any conflict of interest arising from such transactions,

activities, investments or holdings, or arising from the failure of any Commitment Party or any of its respective Affiliates to bring such transactions, activities, investments or holdings to the Company's attention.

Section 9.13 Further Assurances.

From and after the Closing Date, upon the reasonable request of any Party hereto, any other Party hereto shall execute, acknowledge, file and/or deliver all such additional instruments, agreements and other documents, and shall do (or cause to be done) all such additional acts and things, that are necessary, proper, advisable or desirable to carry out, consummate and make effective any of the transactions contemplated by this Agreement.

Section 9.14 Guarantee.

Oaktree hereby guarantees the payment of Oaktree Buyer's Commitment Amount at the Closing on the terms and conditions set forth in this Agreement. For the avoidance of doubt, following the Closing, Oaktree shall have no further liability or obligation of any nature, whether in tort, contract (including a claim based on failure to act in good faith) or otherwise. To the extent that Oaktree Buyer is relieved from all or any portion of its payment obligations under this Agreement or applicable Law, Oaktree shall be similarly relieved of such payment obligations, to such extent, from its obligations pursuant to this Section 9.14. The provisions of this Section 9.14 are subject to Oaktree's right to assert any defense, right, remedies or set-offs that could be asserted by Oaktree Buyer. This guarantee shall apply regardless of any amendments, variations, alterations, waivers or extensions to this Agreement that are made in accordance with Section 9.7.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned Parties have duly executed this Agreement as of the date first above written.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

By: /s/ Gil Melman
Name: Gil Melman
Title: Vice President and General Counsel

ARES SPECIAL SITUATIONS FUND IV, L.P.

By: ASSF Operating Manager IV, L.P., *its manager*

By: /s/ Scott Graves
Name: Scott Graves
Title: Authorized Signatory

Notice Information:

c/o Ares Management LLC
2000 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067
Email: sgraves@aresgmt.com
Attn: Scott Graves

OT POF IEA PREFERRED B AGGREGATOR L.P.

By: OT POF IEA Preferred B Aggregator GP, LLC
Its: General Partner

By: Oaktree Power Opportunities Fund III Delaware, L.P.
Its: Managing Member

By: Oaktree Power Opportunities Fund III GP, L.P.
Its: General Partner

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Peter Jonna
Name: Peter Jonna
Title: Authorized Signatory

By: /s/ Ian Schapiro
Name: Ian Schapiro

Title: PM

Notice Information:

333 South Grand Avenue, 28th Floor

Los Angeles, CA 90071

Email: ischapiro@oaktreecapital.com, pjonna@oaktreecapital.com

Attn: Ian Schapiro, Peter Jonna

OAKTREE POWER OPPORTUNITIES FUND III DELAWARE, L.P. (solely for purposes of Section 5.7, 5.8, 6.3 and 9.14)

By: Oaktree Power Opportunities Fund III GP, L.P.

Its: General Partner

By: Oaktree Fund GP, LLC

Its: General Partner

By: Oaktree Fund GP I, L.P.

Its: Managing Member

By: /s/ Ian Schapiro

Name: Ian Schapiro

Title: Authorized Signatory

By: /s/ Peter Jonna

Name: Peter Jonna

Title: Authorized Signatory

[Signature Page to Equity Commitment Agreement]

SCHEDULE 1

Commitment Schedule

| Commitment Party | Commitment Amount | Percentage of Aggregate Commitments | Number of Series B Preferred Stock to be issued to Commitment Party | Percentage of Warrants to be issued to Commitment Party |
|---|--------------------------|--|--|--|
| Ares Special Situations Fund IV, L.P. | \$ 30,000,000 | 60% | 30,000 | 60% |
| OT POF IEA Preferred B Aggregator, L.P. | \$ 20,000,000 | 40% | 20,000 | 40% |
| Total: | \$ 50,000,000 | 100% | 50,000 | 100% |

EXHIBIT A

FORM OF CERTIFICATE OF DESIGNATIONS

(See attached.)

FINAL FORM

CERTIFICATE OF DESIGNATIONS
OF
SERIES B PREFERRED STOCK
OF
INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

pursuant to Section 151 of the
General Corporation Law of the State of Delaware

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC., a Delaware corporation (the “Corporation”), hereby certifies that:

1. The Second Amended and Restated Certificate of Incorporation of the Corporation (the “Certificate of Incorporation”) fixes the total number of shares of all classes of capital stock that the Corporation shall have the authority to issue at 100,000,000 shares of common stock, par value \$0.0001 per share, and 1,000,000 shares of preferred stock, par value \$0.0001 per share.

2. The Certificate of Incorporation expressly grants to the Board authority to provide for the issuance of the shares of preferred stock in series, and to establish from time to time the number of shares to be included in each such series and to fix the designations, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

3. Pursuant to the authority conferred upon the Board by the Certificate of Incorporation, the Board, by action duly taken on [], 2019, adopted resolutions (which resolutions have not been modified and are in full force and effect on the date hereof) (i) authorizing the issuance of [] shares of the Corporation’s preferred stock, (ii) approving the final form of the Certificate of Designations of Series B Preferred Stock, and (iii) fixing the designations, powers, preferences and rights of the shares of this Series B Preferred Stock and the qualifications, limitations or restrictions thereof as follows:

Section 1. Designation. The designation of this series of preferred stock shall be “Series B Preferred Stock” (the “Series B Preferred Stock”). Series B Preferred Stock will rank (a) equally in right of payment with Parity Stock, if any, with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, (b) senior in right of payment to Junior Stock, with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, and (c) junior in right of payment to Senior Stock, if any, with respect to the payment of dividends or the

distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series B Preferred Stock shall be []. Such

number of authorized shares may, from time to time, be increased (subject to Section 6) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by further resolution duly adopted by the Board and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware (the “DGCL”) stating that such increase or reduction has been so authorized. The Corporation shall have the authority to issue fractional shares of Series B Preferred Stock. The date on which the Corporation initially issues any share of Series B Preferred Stock shall be deemed to be the “date of issuance” for such share of Series B Preferred Stock, in each case regardless of the number of times transfer of such share is made on the stock records maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such share of Series B Preferred Stock.

Section 3. Definitions.

“Accumulated Dividend Rate” means 18% per annum; provided that, during the period from the occurrence of a Deleveraging Event until the date that is two years from the occurrence of such Deleveraging Event, the Accumulated Dividend Rate shall instead be 15% per annum; provided, further, that, from and after the occurrence of any Non-Payment Event or Default Event and until the cure, resolution or waiver of such Non-Payment Event or Default Event, as the case may be, the Accumulated Dividend Rate shall be the Accumulated Dividend Rate as otherwise determined pursuant to this definition plus 2% per annum.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question.

“Ares” means Ares Management LLC, on behalf of its Affiliated funds, investment vehicles and/or managed accounts.

“Board” means the Corporation’s Board of Directors.

“Business Day” means any day except a Saturday, a Sunday or other day on which the U.S. Securities and Exchange Commission or banking institutions in New York, New York are authorized or required by law, regulation or executive order to be closed.

“Bylaws” means the bylaws of the Corporation.

“Capital Stock” means, without duplication, (i) the Common Stock, (ii) the Series B Preferred Stock, (iii) the Series A Preferred Stock, (iv) any other equity or equity-linked securities issued by the Corporation or its Subsidiaries, and (v) any other shares of securities convertible into, or exchangeable or exercisable for, or options, warrants or other rights to acquire, directly or indirectly, any equity or equity-linked security issued by the Corporation or its Subsidiaries, whether at the time of issuance, upon the passage of time, or the occurrence of some future event.

“Cash Dividend Rate” means 15% per annum; provided that, immediately after the occurrence of a Deleveraging Event, the Cash Dividend Rate shall instead be 13.5% per annum.

“Change of Control” means any (a) direct or indirect acquisition (whether by a purchase, sale, transfer, exchange, issuance, merger, consolidation or other business combination) of shares of capital stock or other securities, in a single transaction or series of related transactions, (b) merger, consolidation or other business combination directly or indirectly involving the Corporation (c) reorganization, equity recapitalization, liquidation or dissolution directly or indirectly involving the Corporation, in each case for clauses (a) - (c) which results in any one Person, or more than one Person that are Affiliates or that are acting as a group, acquiring direct or indirect ownership of equity securities of the Corporation which, together with the equity securities held by such Person, such Person and its Affiliates or such group, constitutes more than 50% of the total direct or indirect voting power of the equity securities of the Corporation, taken as a whole, or (d) direct or indirect sale, lease, exchange, transfer or other disposition, in a single transaction or series of related transactions, of assets or businesses that constitute or represent all or substantially all of the consolidated assets of the Corporation and its Subsidiaries, taken as a whole; provided, that no Change of Control shall be deemed to have occurred pursuant to clause (a) due to the acquisition of shares of Common Stock by Oaktree or its Affiliates upon (x) the conversion of shares of Series A Preferred Stock held by Oaktree or its Affiliates on the date hereof into shares of Common Stock, (y) pursuant to Section 3.6 of the Merger Agreement or (z) the exercise of any Warrants.

“Closing Date” means the date of the closing of the original issuance of Series B Preferred Stock.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” means the common stock of the Corporation, par value \$0.0001 per share, or any other shares of the Capital Stock of the Corporation into which such shares of common stock shall be reclassified or changed.

“Competitor” means (i) any Person that is an operating company that primarily engages in the engineering, procurement and construction sector for renewable energy generation or (ii) any controlled Affiliate of the foregoing.

“Control” means, with respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Credit Agreement” means that certain Third Amended and Restated Credit and Guarantee Agreement, dated as of September 25, 2018, as amended and restated as of November 2, 2018, as further amended and restated as of November 16, 2018 and as further Amended and Restated on or about the date hereof.

“Default Event” means any material breach by the Corporation of its obligations under this Certificate of Designations, other than a Non-Payment Event, which, if curable, is not cured on or prior to the 30th day after receipt of written notice from the Stockholders’ Representative after such default.

“Deleveraging Event” means (i) an equity financing following the Closing Date consisting of either (x) the issuance of Junior Stock, which Junior Stock does not contain any mandatory redemption provisions requiring redemption prior February 16, 2025 (other than with respect to a change of control or liquidation event) or (y) the issuance of Parity Stock (including additional Series B Preferred Stock) to the holders of Series B Preferred Stock as of the Closing Date or their Affiliates, in each case where the proceeds of such equity financing are used exclusively by the Corporation to permanently reduce senior secured indebtedness for borrowed money for which the Corporation is the borrower or a guarantor by at least \$50 million or (ii) the Total Net Leverage Ratio (as defined in the Credit Agreement as in effect on the date hereof) as of the last day of any fiscal quarter is less than or equal to 1.50 to 1.00.

“Dividend Date” means, to the extent that any shares of Series B Preferred Stock are then outstanding, each of March 31, June 30, September 30 and December 31 or, to the extent any of the foregoing is not a Business Day, the first Business Day following such date.

“Dividend Period” means the period from the Closing Date to the first Dividend Date and each quarterly period thereafter.

“Junior Stock” means (i) the Series A Preferred Stock, (ii) the Common Stock and (iii) any other class or series of Capital Stock of the Corporation, other than Parity Stock, now existing or hereafter authorized not expressly ranking senior to the Series B Preferred Stock with respect to the payment of dividends or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“Liquidation Event” means (i) effecting any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, (ii) any voluntary or involuntary filing for bankruptcy, insolvency, receivership or any similar proceedings by or against the Corporation or any of its Subsidiaries that holds, directly or indirectly, all or substantially all of the assets of the Corporation and its Subsidiaries on a consolidated basis, (iii) a receiver or trustee is appointed for all or substantially all of the assets of the Corporation and its Subsidiaries on a consolidated basis or (iv) the Corporation or any Subsidiary of the Corporation that owns all or substantially all of the assets of the Corporation and its Subsidiaries on a consolidated basis makes an assignment for the benefit of its creditors.

“Merger Agreement” means that certain Agreement and Plan of Merger, dated November 3, 2017, by and among the Corporation, IEA Energy Services, LLC, a Delaware limited liability company, Infrastructure and Energy Alternatives, LLC, a Delaware limited liability company, and the other parties thereto.

“Net Cash Proceeds” means the excess of (a) the aggregate cash proceeds received by the Corporation and/or its Subsidiaries in connection with a Qualifying Equity Sale or Significant Disposition, as applicable, minus (b) the sum of (i) any out-of-pocket fees, commissions and expenses paid or payable by the Corporation and/or its Subsidiaries, (ii) any federal, state, local or other taxes paid or reasonably estimated to be payable by the Corporation, and (iii) any indebtedness which, by its terms, is required to be paid or prepaid by the Corporation or the applicable Subsidiary, and is paid or prepaid, in each case of

the foregoing clauses (i) - (iii), in connection with such Qualifying Equity Sale or Significant Disposition (to the extent such amounts have not been deducted in calculating the cash proceeds received by the Corporation and/or its Subsidiaries in connection with such Significant Disposition), as applicable; provided that proceeds received by a non-wholly owned Subsidiary in connection with a Qualifying Equity Sale or Significant Disposition shall constitute "Net Cash Proceeds" only to the extent that such proceeds may be distributed up to the Corporation without breaching any agreements with, or fiduciary duties owing to (upon advice of independent counsel), such Subsidiary's minority shareholder(s) by which such Subsidiary is bound or any law to which such Subsidiary is subject.

"Non-Payment Event" means failure of the Corporation to redeem any shares of Series B Preferred Stock as and when required in accordance with Section 7 of this Certificate of Designations, in either case which is not cured within five (5) days after written notice from the Stockholders' Representative after such default.

"Oaktree" means Oaktree Power Opportunities Fund III Delaware, L.P.

"Parity Stock" means any class or series of Capital Stock of the Corporation hereafter authorized that expressly ranks equally with the Series B Preferred Stock with respect to the payment of dividends and in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

"Person" means any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, governmental authority, trust, or other entity.

"Qualifying Equity Sale" means the sale by the Corporation or any of its Subsidiaries of any Capital Stock of the Corporation or such Subsidiary, including the sale of such Capital Stock upon the cash exercise of any warrants issued by the Corporation; provided that "Qualifying Equity Sale" shall not include (i) sales of any Common Stock of the Corporation or derivatives thereof (such as options) to management, consultants or directors of the Corporation or any of its Subsidiaries pursuant to a stock incentive plan approved by the Board, (ii) sales of Capital Stock to the extent the proceeds thereof are used to maintain the Corporation's solvency (as reasonably determined by the Board as of the date of issuance) or to avoid a default under any bona-fide credit agreement to which the Corporation or any of its Subsidiaries are subject (e.g., an equity cure) with any lender or (iii) issuances of Capital Stock of the Corporation to any Person as consideration for any bona-fide acquisition by the Corporation or any of its Subsidiaries approved by the Board (including any Board member nominated by Ares) and the primary purpose of which is not to obtain financing.

"Senior Stock" means any class or series of Capital Stock of the Corporation hereafter authorized which expressly ranks senior to the Series B Preferred Stock and has preference or priority over the Series B Preferred Stock as to the payment of dividends or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"Series A Preferred Stock" means the Series A Preferred Stock of the Corporation.

"Significant Disposition" means any direct or indirect sale, lease, license, exchange, mortgage, transfer or other disposition, in a single transaction or series of related transactions, of any assets or businesses of the Corporation and/or its Subsidiaries outside the ordinary course of business for which the Corporation and/or its Subsidiaries receives consideration having a value in excess of \$5,000,000.

"Stated Value" means, as of a particular time with respect to a share of Series B Preferred Stock, an amount equal to the sum of (i) \$1,000, as equitably adjusted for any stock dividend (including any dividend of securities convertible into or exchangeable for Series B Preferred Stock), stock split (including a reverse stock split), stock combination, reclassification or similar transaction with respect to the Series B Preferred Stock after the date of issuance of such share of Series B Preferred Stock, plus (ii) the amount of accumulated but unpaid dividends compounded and accumulated on such share as a result of Series B Preferred Dividends pursuant to Section 4(a).

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

"Warrants" means warrants to purchase shares of Common Stock, at an exercise price of \$0.0001 per share, issued pursuant to that certain Equity Commitment Agreement by and among the Corporation and the commitment parties party thereto dated as of May 14, 2019.

Section 4. Dividends.

(a) Accumulation and Payment of Dividends. No dividends shall be paid on the Series B Preferred Stock unless as, if and when declared by the Board. Except as set forth below, commencing from and after the Closing Date, dividends will accumulate for each Dividend Period with respect to each share, or fraction of a share, of Series B Preferred Stock at the Accumulated Dividend Rate on the Stated Value per whole share (or fraction thereof with respect to fractional shares) and will increase the Stated Value of such share of Series B Preferred Stock on and effective as of the applicable Dividend Date without any further action by the Board (the “Series B Preferred Accumulated Dividend”); provided, that, to the extent not prohibited by applicable law, and only as, if and when declared by the Board, dividends will be declared and paid in cash with respect to each share, or fraction of a share, of Series B Preferred Stock at the Cash Dividend Rate on the Stated Value per whole share (or fraction thereof with respect to fractional shares) and will be payable in cash quarterly in arrears on the applicable Dividend Date (the “Series B Preferred Cash Dividend” and together with the Series B Preferred Accumulated Dividend, the “Series B Preferred Dividend”). Other than as permitted pursuant to Section 4(d), any Series B Preferred Cash Dividend shall be paid prior and in preference to dividends or distributions on shares of Common Stock and any shares of other Junior Stock and pari passu with any shares of Parity Stock (to the extent such Parity Stock is such because it ranks on a par with the Series B Preferred Stock as to dividends). For the avoidance of doubt, (x) commencing on the Closing Date, the Series B Preferred Dividend shall accumulate daily on the basis of a 360-day year consisting of twelve 30-day periods on the Stated Value of each share of Series B Preferred Stock (as such Stated Value may be increased by any Series B Preferred Accumulated Dividends pursuant to this Section 4(a) and (y) the amount of Series B Preferred Dividends accumulated on the Series B Preferred Stock for any period other than a full Dividend Period shall be computed on the basis of the actual number of days elapsed during the period over a 360-day year.

(b) Distribution of Partial Dividend Payments. For so long as any share of Series B Preferred Stock remains outstanding, if Series B Preferred Cash Dividends are not declared and paid in full upon the shares of Series B Preferred Stock and any Parity Stock with the same dividend payment date or with a dividend payment date which arises during the dividend period ending on a Dividend Date, all Series B Preferred Cash Dividends declared upon shares of Series B Preferred Stock and any such Parity Stock will be declared on a proportional basis, with the effect that the amount of dividends declared per share will be declared and paid among them in the same ratio as the amount of all accumulated but unpaid dividends as of the Dividend Date for the applicable dividend period per share of Series B Preferred Stock is to the amount of all accrued and unpaid dividends as of the end of the applicable dividend period per share of any Parity Stock.

(c) Dividends After Redemption. Notwithstanding anything to the contrary in this Section 4, no share of Series B Preferred Stock shall accrue any dividends after the date on which (i) such share has been redeemed or purchased by the Corporation in accordance with the terms hereof or (ii) the Corporation has validly sought to redeem or purchase such share in accordance with Section 7 but has been unable to do so because of the failure of the holder thereof to return the certificate representing such share, so long as the Corporation has set aside funds for such redemption or payment in accordance with Section 7(f). For each share of Series B Preferred Stock, the date that is the earliest of the dates specified in clauses (i) and (ii) of this Section 4(c) is referred to herein as such share’s “Dividend Cessation Date.”

(d) Restrictions. Until the Dividend Cessation Date of all shares of Series B Preferred Stock, neither the Corporation nor any of its Subsidiaries shall declare, pay or set aside any dividends on shares of any other class or series of Capital Stock of the Corporation or any of its Subsidiaries, other than (i) dividends payable on (A) Senior Stock, (B) Parity Stock in compliance, to the extent applicable, with the provisions of Section 4(b) and (C) Junior Stock payable solely in the form of additional shares of Junior Stock and (ii) dividends or distributions by a Subsidiary; provided that the Corporation may pay cash dividends on the Series A Preferred Stock (“Class A Cash Dividends”) if either (x) no Series B Preferred Accumulated Dividends have accumulated on any shares of Series B Preferred Stock prior to or on the date such dividend is paid on the Series A Preferred Stock or (y) as of the date such dividend is paid on the Series A Preferred Stock, the Corporation has redeemed, in accordance with Section 7, shares of Series B Preferred Stock having a Stated Value that has been increased as a result of all Series B Preferred Accumulated Dividends that have accumulated since the Closing Date in respect of shares of Series B Preferred Stock outstanding as of such date and the Corporation has paid a Series B Preferred Cash Dividend for such Dividend Period with respect to any shares of Series B Preferred Stock that remain outstanding. Until the Dividend Cessation Date of all Series B Preferred Stock, neither the Corporation nor any of its Subsidiaries shall redeem, purchase or otherwise acquire directly or indirectly any (x) Junior Stock, other than repurchases of Common Stock of departing directors and officers of the Corporation or (y) Parity Stock, other than in compliance, to the extent applicable, with the provisions of Section 7(d).

(e) Tax Treatment of Series B Preferred Accumulated Dividend. The Corporation shall not report any accumulation of a Series B Preferred Accumulated Dividend pursuant to Section 4(a) as a distribution or dividend for U.S. federal income

tax purposes as long as there is “substantial authority” for this treatment as defined in Treasury Regulations Section 1.6662-4(d)(2).

(f) Record Date. The Board may fix a record date for the determination of holders of shares of the Series B Preferred Stock entitled to receive payment of a dividend declared thereon, which record date shall be no more than 60 days and no less than ten days prior to the date fixed for the payment thereof.

Section 5. Liquidation Event.

(a) Distributions. Subject to the rights of the holders of any Senior Stock or Parity Stock in connection therewith, upon any Liquidation Event, each holder of Series B Preferred Stock shall be entitled to be paid, out of the assets of the Corporation legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock in connection with such Liquidation Event, an amount per share of Series B Preferred Stock held by such holder equal to the sum of (i) the Stated Value plus (ii) all accumulated and unpaid dividends, if any, with respect to such share calculated through the day prior to such payment. Other than as expressly set forth in the immediately foregoing sentence, upon receipt of the aggregate amount owed to such holder upon a Liquidation Event (as determined in accordance with the immediately foregoing sentence), no holder of Series B Preferred Stock, in its capacity as such, shall be entitled to any further payments upon the occurrence of any Liquidation Event. All shares of Series B Preferred Stock which have received the full amount to which they are entitled under this Certificate of Designations upon the occurrence of a Liquidation Event or for which the full amount to which they are entitled has been made available by the Corporation in accordance with Section 7(f) shall, automatically and without further action on the part of the Corporation or any holder thereof, be cancelled effective upon receipt or the making available by the Corporation of such amount in accordance with Section 7(f); provided that such cancellation shall not impair the right of a holder of such shares of Series B Preferred Stock to subsequently receive the amount that has been made available.

(b) Partial Distributions. If, upon any such Liquidation Event, the assets of the Corporation to be distributed in respect of the Series B Preferred Stock and any Parity Stock are insufficient to permit payment in respect thereof of the aggregate amount to which they are entitled under this Certificate of Designations upon such Liquidation Event, then the entire assets available to be distributed to the holders of Series B Preferred Stock and the Parity Stock shall be distributed *pro rata* among such holders of Series B Preferred Stock and Parity Stock based upon the aggregate amounts to which they would otherwise be entitled upon such Liquidation Event with respect to such Series B Preferred Stock or Parity Stock, as applicable.

(c) Notice of Liquidation Event. The Corporation shall provide written notice to the Stockholders’ Representative and each holder of Series B Preferred Stock at least 10 days prior to the consummation of a Liquidation Event.

Section 6. Voting Rights.

(a) Voting Rights Generally. Other than any voting rights provided by applicable law or as expressly provided by this Certificate of Designations, the holders of the Series B Preferred Stock (in their capacities as such) shall not have voting rights of shareholders under this Certificate of Designations, the Certificate of Incorporation, the Bylaws and the Securities Act of 1933, as amended, on account of the shares of Series B Preferred Stock from time to time held by such holders.

(b) Stockholders’ Representative.

(i) Each holder of Series B Preferred Stock hereby irrevocably constitutes and appoints Ares as the sole and exclusive attorney-in-fact and proxy of such holder of Series B Preferred Stock (the “Stockholders’ Representative”), with full power of substitution and resubstitution, to exercise or abstain from exercising the rights granted to the holders of Series B Preferred Stock pursuant to this Section 6 (other than any amendments that are either (i) adversely disproportionate to holders of the Series B Preferred Stock as compared to other holders of the Series B Preferred Stock or (ii) adversely affect the definition of Cash Dividend Rate or Accumulated Dividend Rate or the redemption required by Section 7(a)(ii)) to the fullest extent permitted by law. Any action taken or not taken by the Stockholders’ Representative pursuant to this Section 6(b) shall not be subject to challenge or input from any such holder of Series B Preferred Stock. Each holder of Series B Preferred Stock hereby revokes any and all previous proxies with respect to such holder’s Series B Preferred Stock and no subsequent proxies (whether revocable or irrevocable) shall be given (and if given, such subsequent proxies shall not be effective) by such holder with respect to the Series B Preferred Stock that conflict with this proxy. This proxy and power of attorney is intended to be irrevocable and is coupled with an interest sufficient in law to support an irrevocable proxy and is granted for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and shall be valid and binding on any person to whom the holder

of Series B Preferred Stock may transfer any of its Series B Preferred Stock. The power of attorney granted herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of each holder of Series B Preferred Stock. The provisions of this Section 6(b) shall terminate with respect to a holder of Series B Preferred Stock once such holder no longer owns any Series B Preferred Stock. The Stockholders' Representative may appoint one or more successor representatives to the Stockholders' Representative, subject to the approval of holders of a majority of the Series B Preferred Stock then outstanding.

(ii) Each holder of Series B Preferred Stock hereby irrevocably delegates all power and authority to the Stockholders' Representative to exercise, on behalf of such holder of Series B Preferred Stock, any and all rights of such holder in respect of such Series B Preferred Stock pursuant to this Section 6 (other than any amendments that are either (i) adversely disproportionate to holders of the Series B Preferred Stock as compared to other holders of the Series B Preferred Stock or (ii) adversely affect the definition of Cash Dividend Rate or Accumulated Dividend Rate or the redemption required by Section 7(a)(ii)), including the granting of any waivers or the exercise of any consent, approval or voting rights or powers on behalf of such holder.

(iii) The Stockholders' Representative shall not, in the absence of bad faith, willful misconduct or gross negligence, have any liability to the holders of Series B Preferred Stock whatsoever with respect to its actions, decisions and determinations, and shall be entitled to assume that all actions, decisions and determinations are fully authorized by each and every one of the holders of Series B Preferred Stock. The Corporation hereby agrees that the Stockholders' Representative shall not, in its capacity as such, have any liability to the Corporation or any of its Affiliates whatsoever with respect to its actions, decisions or determinations.

(c) Consent Rights. Notwithstanding the foregoing, until the Dividend Cessation Date of all Series B Preferred Stock, the Corporation shall not, and shall cause its Subsidiaries not to, directly or indirectly (whether by merger, consolidation, amendment of this Certificate of Designations or otherwise), without the prior written approval of the Stockholders' Representative:

(i) create, or authorize the creation of, or issue or obligate itself to issue any shares of, (A) Senior Stock, (B) Parity Stock (including any Series B Preferred Stock), (C) any Capital Stock that votes as a single class with the Series B Preferred Stock on any of the matters which require the consent of the holders of a majority of the Series B Preferred Stock pursuant to this Section 6, or (D) any Capital Stock of a Subsidiary of the Corporation, other than issuances by a wholly owned Subsidiary of the Corporation to the Corporation;

(ii) reclassify, alter or amend any Capital Stock of the Corporation or its Subsidiaries if such reclassification, alteration or amendment would render such other Capital Stock senior to or pari passu with the Series B Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation or the payment of dividends;

(iii) enter into any agreement with respect to, or consummate, any merger, consolidation or similar transaction with any other Person pursuant to which the Corporation or such Subsidiary would not be the surviving entity in such transaction, if as a result of such transaction, any capital stock or equity or equity-linked securities of such Person would rank senior to or pari passu with the Series B Preferred Stock as to the payment of dividends or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the surviving entity or such Subsidiary;

(iv) assume, incur or guarantee, or authorize the creation, assumption, incurrence or guarantee of, any indebtedness for borrowed money (specifically excluding letters of credit, performance or payment bonds, and capitalized lease obligations) if, after taking into account such assumption, incurrence or guarantee of such indebtedness for borrowed money, the aggregate outstanding amount of such indebtedness for borrowed money of the Corporation and its Subsidiaries would exceed \$5,000,000 on a consolidated basis, other than (x) any indebtedness for borrowed money under the Corporation's Second Amended and Restated Credit and Guarantee Agreement, dated as of September 25, 2018, as amended and restated as of November 2, 2018 and as further amended and restated as of November 16, 2018 (the "Existing Facility"), or (y) any refinancing thereof in a principal amount not to exceed the available amount under the Existing Facility;

(v) authorize or consummate any Change of Control or Liquidation Event unless on or prior to the consummation of such Change of Control or Liquidation Event, all shares of Series B Preferred Stock will be redeemed, paid or purchased in full at the Optional Redemption Price;

(vi) alter, amend, supplement, restate, waive or otherwise modify any provision of this Certificate of

Designations or any other governing document of the Corporation (including any other Certificate of Designations) in a manner that would reasonably be expected to be materially adverse to the rights or obligations of the holders of the Series B Preferred Stock; provided that any amendments that are either (i) adversely disproportionate to holders of the Series

B Preferred Stock as compared to other holders of the Series B Preferred Stock or (ii) adversely affect the definition of Cash Dividend Rate or Accumulated Dividend Rate or the redemption required by Section 7(a)(ii) shall require the prior written approval of each adversely affected holder of Series B Preferred Stock.

(vii) at any time when the Corporation is prohibited from making Class A Cash Dividends pursuant to Section 4(d), utilize the restricted payment basket set forth in Section 8.05(l) of the Credit Agreement for any purpose other than making a Series B Preferred Cash Dividend or redeeming, repurchasing or otherwise retiring Series B Preferred Stock; or

(viii) enter into any amendment to the Credit Agreement (including an amendment and restatement or refinancing) that materially and adversely affects the ability of the Corporation to make cash dividend payments, liquidation payments or redemption payments compared to the Credit Agreement in effect on the Closing Date.

Section 7. Redemption Rights.

(a) Redemption Events.

(i) The Corporation may, at any time and from time to time, redeem all or any portion of the shares of Series B Preferred Stock then outstanding at the Optional Redemption Price per share; provided, that any such redemption shall be on a *pro rata* basis among the holders of Series B Preferred Stock in accordance with the number of shares of Series B Preferred Stock then held by such holders.

(ii) On February 15, 2025, the Corporation shall redeem all shares of Series B Preferred Stock then outstanding at the Mandatory Redemption price per share.

(iii) Concurrently with and as a condition to the consummation of a Change of Control, subject to the prior repayment in full of the obligations under the Credit Agreement as required pursuant to the terms thereof, the Corporation shall repurchase all Series B Preferred Stock then outstanding at the Optional Redemption Price per share.

(iv) In the event of a Qualifying Equity Sale, the Corporation shall, as promptly as practicable (but in any event within three (3) Business Days of the consummation of such Qualifying Equity Sale), use all of the Net Cash Proceeds from such Qualifying Equity Sale to redeem the maximum number of shares of Series B Preferred Stock that are redeemable from such Net Cash Proceeds from such Qualifying Equity Sale at the Optional Redemption Price per share; provided that any such redemption shall be on a *pro rata* basis among the holders of Series B Preferred Stock in accordance with the number of shares of Series B Preferred Stock then held by such holders; provided, further, that the Corporation shall not be required to effect any redemption pursuant to this clause (iv) unless such redemption is not prohibited by the Credit Agreement (or any credit facility that refinances or replaces the Credit Agreement so long as any such credit facility that refinances or replaces the Credit Agreement or any amendment of the Credit Agreement after the date hereof is not more restrictive than the Credit Agreement as in effect on the date hereof with respect to such redemptions).

(v) In the event of a Significant Disposition, the Corporation shall, as promptly as practicable (but in any event within three (3) Business Days of the consummation of such Significant Disposition), use all of the Net Cash Proceeds from such Significant Disposition to redeem the maximum number of shares of Series B Preferred Stock that are redeemable from such Net Cash Proceeds from such Significant Disposition at the Optional Redemption Price per share; provided that (x) any such redemption shall be on a *pro rata* basis among the holders of Series B Preferred Stock in accordance with the number of shares of Series B Preferred Stock then held by such holders and (y) if any portion of the consideration from such Significant Disposition is not in the form of cash consideration, then for purposes of this clause (iv) any such non-cash consideration shall be included in the calculation of Net Cash Proceeds as and when converted to cash; provided, further, that the Corporation shall not be required to effect any redemption pursuant to this clause (v) unless such redemption is not prohibited by the Credit Agreement (or any credit facility that refinances or replaces the Credit Agreement so long as any such credit facility that refinances or replaces the Credit Agreement or any amendment of the Credit Agreement after the date hereof is not more restrictive than the Credit Agreement as in effect on the date hereof with respect to such redemptions).

(b) Redemption Price. In connection with any redemption pursuant to Sections 7(a)(i), 7(a)(iii), 7(a)(iv) or 7(a)(v), the Corporation shall pay a price per share of Series B Preferred Stock in cash equal to the greater of (i) the Stated Value thereof plus all accumulated and unpaid dividends thereon since the immediately preceding Dividend Date calculated through

the day prior to such redemption and (ii) \$1,500, plus all accumulated and unpaid dividends thereon since the immediately preceding Dividend Date calculated through the day prior to such redemption, minus the amount of any Series B Preferred Cash Dividends actually paid on such share of Series B Preferred Stock since the Closing Date (the “Optional Redemption Price”).

In connection with any redemption pursuant to Section 7(a)(ii), the Corporation shall pay a price per share of Series B Preferred Stock in cash equal to the Stated Value thereof plus all accumulated and unpaid dividends thereon calculated through the day prior to such redemption (the “Mandatory Redemption Price”). There shall be no premium or penalty payable in connection with any such mandatory redemption.

To the fullest extent permitted by law, if the Corporation pays or makes available in accordance with Section 7(f) to the holder of a share of Series B Preferred Stock the Optional Redemption Price or Mandatory Redemption Price, as applicable, in respect of such share of Series B Preferred Stock when and as required, such share of Series B Preferred Stock shall be cancelled notwithstanding failure of the holder thereof to return the certificate representing such share; provided that such cancellation shall not impair the right of the holder of such share to subsequently receive the amount that has been made available.

(c) Notice of Redemption. Except as otherwise provided herein, the Corporation shall provide written notice (a “Redemption Notice”) to the Stockholders’ Representative and each record holder of Series B Preferred Stock of any redemption not more than 60 nor less than 10 days prior to the date on which such redemption is to be made. Such notice shall set forth in reasonable detail the date on which such redemption is to be made (the “Redemption Date”) and a calculation specifying the amount owed to such holder by the Corporation in respect of each share of Series B Preferred Stock held by such holder as of the Redemption Date. To the extent that any redemption is being made in connection with the occurrence of one or more events, the Corporation may make the redemption contingent upon consummation of such event.

(d) Redemptions of Less than All Shares. If the Corporation is redeeming less than all of the shares of Series B Preferred Stock then outstanding, the Corporation shall redeem such number of shares of Series B Preferred Stock and each class or series of Parity Stock required to be redeemed, if any, such that the amount payable to each holder of Series B Preferred Stock and Parity Stock in respect of such shares of Series B Preferred Stock and/or Parity Stock, as the case may be, upon a Liquidation Event immediately after consummation of such redemption bears, as nearly as practicable, the same proportion to the total amount payable to holders of Series B Preferred Stock and Parity Stock upon a Liquidation Event in respect of such shares immediately prior to consummation of such redemption. In the event that, for any holder of Series B Preferred Stock, fewer than the total number of shares of Series B Preferred Stock represented by any certificate are redeemed, a new certificate representing the number of unredeemed shares of Series B Preferred Stock shall be issued to the holder thereof without cost to such holder within five Business Days after surrender of the certificate representing the redeemed shares of Series B Preferred Stock.

(e) Other Redemptions or Acquisitions. Nothing herein shall be deemed to limit the right of the Corporation to purchase such Series B Preferred Stock from time to time.

(f) Effectiveness of Redemption. If a Redemption Notice has been duly given and if, on or before the Redemption Date specified in the Redemption Notice, all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust or escrow for the pro rata benefit of the holders of shares of Series B Preferred Stock called for redemption, so as to be and continue to be available therefor (subject to applicable escheat laws), or deposited by the Corporation with a bank or trust company in trust or escrow for the pro rata benefit of the holders of the shares of Series B Preferred Stock called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the Redemption Date, all shares of Series B Preferred Stock so called for redemption shall be cancelled and shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such Redemption Date, and all rights with respect to such shares shall forthwith on such Redemption Date cease and terminate without further liability to, or obligation of, the Corporation, except only the right of the holders thereof to receive the Optional Redemption Price or Mandatory Redemption Price, as applicable, without interest.

(g) Tax Treatment of Redemption.

(i) The Corporation and the applicable holder of any shares of Series B Preferred Stock being redeemed pursuant to this Section 7 shall use commercially reasonable efforts to structure any redemption of Series B Preferred Stock as a distribution received in full payment in exchange of such Series B Preferred Stock under Section 302(a) of the Code.

(ii) The Corporation shall not declare any accumulated but unpaid dividends on the Series B Preferred Shares in connection with any redemption of shares of the Series B Preferred Stock pursuant to this Section 7.

(iii) The Corporation shall report the redemption of any shares of Series B Preferred Stock as a sale or exchange and not as a dividend for U.S. federal income tax purposes as long as there is "substantial authority" for this reporting as defined in Treasury Regulations Section 1.6662-4(d)(2).

Section 8. [Reserved].

Section 9. Status of Redeemed or Otherwise Reacquired Shares. Shares of Series B Preferred Stock redeemed or otherwise purchased or acquired by the Corporation, in accordance with this Certificate of Designations, shall be canceled and retired and shall not be reissued, sold or transferred, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to retire such shares and reduce the authorized number of shares of Series B Preferred Stock accordingly.

Section 10. Preemptive Rights. Holders of Series B Preferred Stock, in their capacities as such, shall not have any preemptive rights.

Section 11. Transfers. Notwithstanding anything to the contrary in this Certificate of Designations, a holder of Series B Preferred Stock may transfer all or any portion of shares of such Series B Preferred Stock to any Person who is not, at the time of such transfer, a Competitor. For the avoidance of doubt, the restrictions, conditions, and obligations contained in this Certificate of Designations to which such holder of Series B Preferred Stock is subject shall continue to be applicable to and binding upon the transferee(s) of such Series B Preferred Stock and the transferee(s) of such Series B Preferred Stock shall have agreed in writing to be bound by the provisions of this Certificate of Designations.

Section 12. Board Designation Rights. Effective as of the Closing Date, the Corporation agrees to increase the size of the Board in order to appoint one director designated by the Stockholders' Representative to the Board for a term expiring at the 2021 annual meeting of the Corporation's stockholders. So long as there is more than \$20 million of Series B Preferred Stock outstanding, the Corporation agrees to at all times appoint or nominate for election to the Board one director designated by the Stockholders' Representative. The Stockholders' Representative shall have the exclusive right to remove or replace the director designated by the Stockholders' Representative to the Board. Upon appointment or election to the Board, the Corporation agrees to promptly appoint the director designated by the Stockholders' Representative to serve on each committee of the Board, subject in each case to meeting the applicable requirements for service on such committee as set forth in the listing rules of NASDAQ, the rules and regulations of the Securities and Exchange Commission, the Corporation's corporate governance guidelines applicable to all of the members of such committee and such committee's charter.

Section 13. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of any Series B Preferred Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor, its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such Capital Stock represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate. Dividends shall accrue on any Series B Preferred Stock represented by such new certificate from the date with respect to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

Section 14. Tax Matters.

(a) Withholding. All payments and distributions (or deemed payments and distributions) on the shares of Series B Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by holders. The Corporation shall use commercially reasonable efforts to avoid or minimize any direct or indirect withholding taxes that may become due in connection with any payment or distribution (or deemed payment or distribution) on the Series B Preferred Stock; provided that such cooperation does not cause material detriment to the Corporation or any of its Subsidiaries. The Corporation shall not withhold any U.S. federal income taxes with respect to a holder if such holder provides a properly completed and executed Internal Revenue Service Form W-9, unless otherwise required pursuant to a change in applicable law occurring after the date hereof. Any payments by the Corporation in respect of the Series B Preferred Stock shall be made out of funds legally available for payment thereof and shall only be made to the extent that the payment thereof would not cause the Corporation to be rendered

insolvent or to violate any law to which the Corporation is subject.

(b) Calculation of Redemption Premium. Notwithstanding Section 7(b), for purposes of determining “redemption premium” under Treasury Regulations Section 1.305-5(b), the redemption price of the Series B Preferred Stock shall be \$1,000.

(c) Cooperation. Prior to issuing any Internal Revenue Service Form 1099 or reporting any other income or payment pursuant to Section 305 of the Code, in each case with respect to the Series B Preferred Stock, the Corporation shall provide the Stockholders’ Representative with a draft of such reporting statement and the underlying calculations for such holders’ review and approval. To the maximum extent permitted by law, the Corporation and the holders of the Series B Preferred Stock shall not take an inconsistent position with respect to such reporting as approved by the Stockholders’ Representative in any tax return or in connection with any tax audit. If at any time the Corporation believes it is not permitted under law to take a position approved by the Stockholders’ Representative in any tax return or any tax audit, then the Corporation shall promptly notify the Stockholders’ Representative in writing of such disagreement and cooperate, and direct its Affiliates and representatives to cooperate, in good faith with the Stockholders’ Representative to give effect to such approved position to the greatest extent possible.

(d) The Corporation agrees that the Series B Preferred Stock is not “fast pay stock” as defined in Treasury Regulations Section 1.7701(l)-3(b) and shall not take any position inconsistent with such treatment.

Section 15. Record Holders. To the fullest extent permitted by applicable law, the Corporation may deem and treat the record holder of any share of the Series B Preferred Stock as the true and lawful owner thereof for all purposes, and the Corporation shall not be affected by any notice to the contrary.

Section 16. Notices.

(a) To Holders. All public announcements, notices or communications to the holders of, or otherwise in respect of, the Series B Preferred Stock shall be given or delivered for purposes of this Certificate of Designations if given in writing and delivered in person or by first class mail, postage prepaid. All notices or communications shall also be given or delivered for purposes of this Certificate of Designations if given or delivered in such manner as may be permitted in this Certificate of Designations, in the Certificate of Incorporation or Bylaws or by applicable law or regulation. Furthermore, if the Series B Preferred Stock is issued in book-entry form through The Depository Trust Company or any similar facility, such notices may be given or delivered to the holders of the Series B Preferred Stock in any manner permitted by such facility and such notices will be deemed given and delivered in compliance with this Certificate of Designations.

(b) To the Corporation. All notices or communications to the Corporation shall be deemed given and delivered to the Corporation if given in writing and delivered in person or by first class mail, postage prepaid to the Corporation’s principal place of business.

Section 17. Other Rights. The shares of Series B Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as expressly set forth herein, in the Certificate of Incorporation or as provided by applicable law and regulation.

Section 18. Remedies. The remedies available to the holders of Series B Preferred Stock under this Certificate of Designations shall be in addition to any other remedy to which such holders are entitled at law or in equity, and the election to pursue any such remedy shall not restrict, impair or otherwise limit the holders of Series B Preferred Stock from seeking to pursue any other remedy to which it is entitled under this Certificate of Designations, at law or in equity. Payment of the Optional Redemption Price or Mandatory Redemption, as applicable, in respect of a share of Series B Preferred Stock shall be in full satisfaction of any claim or remedy of a holder thereof in respect of such share of Series B Preferred Stock.

Section 19. Tax Treatment of Series B Preferred Stock. The Corporation and the holders shall treat the Series B Preferred Stock as equity for all applicable U.S. federal income, state and local income tax purposes, unless otherwise required by a change in applicable law occurring after the date hereof. For so long as any holder holds Series B Preferred Stock, such holder shall be a United States person for U.S. federal tax purposes that is eligible to, and that does, deliver a properly completed and executed Internal Revenue Service Form W-9 to the Corporation or any applicable withholding agent thereof. Notwithstanding anything to the contrary herein, no holder shall be entitled to transfer any Series B Preferred Stock to any person that is not a United States person for U.S. federal tax purposes, and any such transfer shall be void *ab initio*.

Section 20. Non-Circumvention. The Corporation shall not seek to avoid the observance or performance of any of

the terms of this Certificate of Designations, including, without limitation, by amending its Certificate of Incorporation or Bylaws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities.

IN WITNESS WHEREOF, this Certificate of Designations has been executed on behalf of the Corporation by its Chief Executive Officer this 14th day of May, 2019.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

By: _____

Name:

Title:

EXHIBIT B

FORM OF WARRANT CERTIFICATE

(See attached.)

FINAL FORM

WARRANT

THIS SECURITY AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(i) REPRESENTS THAT IT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D AS PROMULGATED UNDER THE SECURITIES ACT, AND

(ii) AGREES FOR THE BENEFIT OF INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC. (THE “**COMPANY**”) THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN EXCEPT:

- a. TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR
- b. PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR
- c. PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER OF THIS SECURITY OR ANY SECURITY ISSUABLE UPON EXERCISE OF THIS SECURITY, IF ANY, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Warrant Certificate No.: W-[]

Original Issue Date: May [], 2019

FOR VALUE RECEIVED, INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC., a Delaware corporation (the “**Company**”), hereby certifies that [NAME OF HOLDER], a [JURISDICTION AND TYPE OF ENTITY], or its registered assigns (the “**Holder**”) is entitled to purchase from the Company a number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock equal to the Warrant Share Number at a purchase price per share of \$.0001 (the “**Exercise Price**”), all subject to the terms, conditions and adjustments set forth below in this Warrant. Certain capitalized terms used herein are defined in **Section 1**.

This Warrant has been issued pursuant to the terms of the Equity Commitment Agreement, dated as of May 14, 2019, by among the Company, the Holder and the other parties thereto (the “**Commitment Agreement**”).

1. Definitions. As used in this Warrant, the following terms have the respective meanings set forth below:

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question.

“**Aggregate Exercise Price**” means an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, *multiplied by* (b) the Exercise Price.

“**Automatic Exercise**” has the meaning set forth in **Section 3(f)**.

“**Beneficially Owned**”, “**Beneficial Ownership**” and similar phrases have the same meanings as such terms have under Rule 13d-3 (or any successor rule then in effect) under the Exchange Act.

“**Board**” means the board of directors of the Company.

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

“**Change of Control**” means any (a) direct or indirect acquisition (whether by a purchase, sale, transfer, exchange, issuance, merger, consolidation or other business combination) of shares of capital stock or other securities, in a single transaction or series of related transactions, (b) merger, consolidation or other business combination directly or indirectly involving the Company (c) reorganization, equity recapitalization, liquidation or dissolution directly or indirectly involving the Company, in each case for clauses (a) - (c) which results in any one Person, or more than one Person that are Affiliates or that are acting as a group, acquiring direct or indirect ownership of equity securities of the Company which, together with the equity securities held by such Person, such Person and its Affiliates or such group, constitutes more than 50% of the total direct or indirect voting power of the equity securities of the Company, taken as a whole, or (d) direct or indirect sale, lease, exchange, transfer or other disposition, in a single transaction or series of related transactions, of assets or businesses that constitute or represent all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole; provided, that no Change of Control shall be deemed to have occurred pursuant to clause (a) due to the acquisition of shares of Common Stock by Oaktree or its Affiliates upon (x) the conversion of shares of Series A Preferred Stock held by Oaktree or its Affiliates on the date hereof into shares of Common Stock, (y) pursuant to Section 3.6 of the Merger Agreement or (z) the exercise of any Warrants.

“**Commitment Agreement**” has the meaning set forth in the preamble.

“**Commitment Amount**” has the meaning ascribed thereto in the Commitment Agreement.

“**Common Stock**” means the common stock, par value \$0.0001 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

“**Company**” has the meaning set forth in the preamble.

“**Convertible Securities**” means any securities (directly or indirectly) convertible into or exchangeable for Common Stock, but excluding Options.

“**Conversion Blocker**” has the meaning set forth in **Section 8**.

“**Deemed Liquidation Event**” means, directly or indirectly, in one or more related transactions, (a) a liquidation or dissolution of the Company in accordance with the terms and subject to the conditions set forth in the Certificate of Incorporation, (b) any merger, consolidation, recapitalization, reorganization or sale of the Company, or sale, transfer or issuance of voting securities of the Company or any other transaction or series of related transactions, in each case, in which the holders of voting securities of the Company owning a majority of the voting power of the Company immediately prior to such transaction do not own and control a majority of the voting power represented by the outstanding equity of the surviving entity after the closing of such transaction or (c) any sale, transfer or disposition of all or substantially all of the assets of the Company to another Person in one or more transactions.

“**Exchange Act**” has the meaning set forth in **Section 8**.

“**Ex-dividend Date**” means the first date on which shares of the Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Common Stock on such exchange or market (in the form of due bills or

otherwise) as determined by such exchange or market; provided that if the Common Stock does not trade on an exchange or market, the “Ex-Dividend date” shall mean the record date for such issuance, dividend or distribution.

“**Exercise Date**” means, for any given exercise of this Warrant, the date on which the conditions to such exercise as set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., New York City time, on a Business Day, including, without limitation, the receipt by the Company of the Notice of Exercise, the Warrant and the Aggregate Exercise Price.

“**Exercise Period**” has the meaning set forth in **Section 2**.

“**Exercise Price**” has the meaning set forth in the preamble.

“**Fair Market Value**” means, as of any particular date: (a) the volume weighted average price per share of the Common Stock for each Business Day referred to below on the principal domestic securities exchange on which the Common Stock may at the time be listed; (b) if there have been no sales of the Common Stock on any such exchange on any such Business Day referred to below, the average of the highest bid and lowest asked prices for the Common Stock on such exchanges at the end of such Business Day referred to below; (c) if on any such Business Day referred to below the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association for such Business Day referred to below; or (d) if there have been no sales of the Common Stock on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association on any such Business Day referred to below, the average of the highest bid and lowest asked prices for the Common Stock quoted on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association at the end of such Business Day referred to below; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which “Fair Market Value” is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term “Business Day” as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association, the “Fair Market Value” of the Common Stock shall be the fair market value per share as determined jointly by the Board and the Holder. If such parties are unable to reach agreement within ten (10) Business Days after the occurrence of an event requiring valuation (the “**Valuation Event**”), the fair market value of such consideration will be determined within ten (10) Business Days after the tenth (10th) day following the Valuation Event by an independent, reputable appraiser selected by the Company. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

“**Holder**” has the meaning set forth in the preamble.

“**Merger Agreement**” means that certain Agreement and Plan of Merger, dated November 3, 2017, by and among the Company, IEA Energy Services, LLC, a Delaware limited liability company, Infrastructure and Energy Alternatives, LLC, a Delaware limited liability company, and the other parties thereto.

“**Notice of Exercise**” has the meaning set forth in **Section 3(a)(i)**.

“**Oaktree**” means Oaktree Power Opportunities Fund III Delaware, L.P.

“**Options**” means any warrants or other rights or options to subscribe for or purchase Common Stock or Convertible Securities.

“**Original Issue Date**” means May [], 2019.

“**OTC Bulletin Board**” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-dealer quotation system.

“**Person**” means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, association, incorporated organization or government or department or agency thereof.

“**Pink OTC Markets**” means the OTC Markets Group Inc. electronic inter-dealer quotation system, including OTCQX, OTCQB and OTC Pink.

“**Restricted Ownership Percentage**” has the meaning set forth in **Section 8**.

“**Series A Preferred Stock**” means the Series A Preferred Stock of the Company.

“**Threshold Percentage**” has the meaning set forth in **Section 8**.

“**Warrant**” means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

“**Warrant Share Number**” means, at any time, the aggregate number of Warrant Shares for which this Warrant is exercisable at such time, as such number may be adjusted from time to time pursuant to the terms hereof. The Warrant Share Number shall initially be [].

“**Warrant Shares**” means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant in accordance with the terms of this Warrant.

2. Term of Warrant. Subject to the terms and conditions hereof, the Holder of this Warrant may exercise this Warrant on or after the date hereof at any time and from time to time (the “**Exercise Period**”).

3. Exercise of Warrant.

(a) **Exercise Procedure.** This Warrant may be exercised for any or all unexercised Warrant Shares upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a notice of exercise (each a “**Notice of Exercise**”) substantially in the form attached hereto as **Exhibit A**, duly completed (including specifying the number of Warrant Shares to be purchased) and executed; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b)**.

(b) **Payment of the Aggregate Exercise Price.** Payment of the Aggregate Exercise Price shall be made, at the option of the Holder as expressed in the Notice of Exercise, by the following methods:

(i) by delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company, in the amount of such Aggregate Exercise Price;

(ii) by instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price; or

(iii) any combination of the foregoing.

In the event of any withholding of Warrant Shares pursuant to clause (ii) or (iii) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the Fair Market Value of one Warrant Share as of the Exercise Date.

(c) **Delivery of Stock Certificates and/or Book-Entry Shares.** Upon receipt by the Company of a Notice of Exercise, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall, as promptly as practicable, and in any event within five (5) Business Days thereafter, at the option of the Holder, either (i) execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise or (ii) cause to be issued to such Holder by entry on the books of the Company (or the Company’s transfer agent, if any) the Warrant Shares issuable upon such exercise, in each

case, together with cash in lieu of any fraction of a share, as provided in **Section 3(b)**. The stock certificate or certificates or book-entry interests of Warrant Shares so delivered or issued, as the case may be, shall be, to the extent possible, in such denomination or denominations as the exercising Holder shall reasonably request in the Notice of Exercise and shall be registered in the name of the Holder or, subject to compliance with **Section 5** below, such other Person's name as shall be designated in the Notice of Exercise. This Warrant shall be deemed to have been exercised and such certificate or certificates or book-entry interests of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Delivery of New Warrant.** Unless the purchase rights represented by this Warrant shall have been fully exercised, the Company shall, at the time of delivery of the certificate or certificates or book-entry interests representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(e) **Valid Issuance of Warrant and Warrant Shares; Payment of Taxes .** With respect to the exercise of this Warrant, the Company hereby represents, warrants, covenants and agrees as follows:

(i) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(ii) All Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be, upon issuance, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights of any stockholder of the Company and free and clear of all taxes, liens and charges.

(iii) The Company shall use commercially reasonable efforts to ensure that all such Warrant Shares are issued without violation by the Company of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Common Stock or other securities constituting Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance).

(iv) The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to any applicable withholding or the issuance or delivery of the Warrant Shares to any Person other than the Holder, and no such issuance or delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax, or has established to the satisfaction of the Company that such tax has been paid.

(f) **Reservation of Shares.** During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or treasury shares constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant, and the par value per Warrant Share shall at all times be less than or equal to the applicable Exercise Price. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

4. **Adjustments.** In order to prevent dilution of the purchase rights granted under this Warrant, the Warrant Share Number issuable upon exercise of this Warrant shall be subject to adjustment (an "**Adjustment**") from time to time as provided in this **Section 4** (in each case, after taking into consideration any prior Adjustments pursuant to this **Section 4**).

(a) **Adjustment to Number of Warrant Shares Upon Dividend, Subdivision or Combination of Common Stock.** If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or in Options or Convertible Securities to all or substantially all the holders of the Common Stock, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, in each case other than any such transaction covered by **Section 4(b)**, **Section 4(c)**, or **Section 4(d)**, the Warrant Share Number immediately prior to any such dividend, distribution or subdivision shall be proportionately increased so

that the Holder shall be entitled to receive upon the exercise of this Warrant the number of shares of Common Stock or other securities of the Company that the Holder would have owned or would have been entitled to receive upon or by reason of any event described above, had this Warrant been exercised or converted immediately prior to the occurrence of such event. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Warrant Share Number immediately prior to such combination shall be proportionately decreased so that the Holder shall be entitled to receive upon the exercise of this Warrant the number of shares of Common Stock or other securities of the Company that the Holder would have owned or would have been entitled to receive upon or by reason of any event described above, had this Warrant been exercised or converted immediately prior to the occurrence of such event. Any Adjustment under this **Section 4(a)** shall become effective immediately after the open of business on the Ex-dividend Date for such dividend or immediately after the open of business on the effective date for such subdivision or combination.

(b) **Adjustment Upon Cash Distributions and Other Distributions.** If the Company distributes to the holders of Common Stock, (x) cash or any other property or securities, or (y) any rights, options or warrants to subscribe for or purchase any of the foregoing (other than, in each case set forth in clause (x) and clause (y), any dividend or distribution described in **Section 4(a)** or **Section 4(d)**), then, in each such case, the Holder shall be entitled to participate in such distribution to the same extent that the Holder would have participated therein if the Holder had exercised this Warrant in full immediately before the date of which a record is taken for such distribution, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the participation in such distribution. For the avoidance of doubt, no repurchase or redemption by the Company or any of its subsidiaries of any securities of the Company shall be considered a distribution.

(c) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger.** In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person, (v) Deemed Liquidation Event or (vi) other similar transaction, in each case which entitles all or substantially all of the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities, cash or other assets or consideration with respect to or in exchange for Common Stock, each Warrant shall, immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction, be canceled (without any action of the Holder and regardless of any limitation or restriction on the exercisability of this Warrant that may otherwise be applicable) with the Holder entitled to receive the kind and number of shares of stock, securities, cash or other assets or consideration resulting from such transaction to which the Holder would have been entitled as a holder of the applicable number of Warrant Shares then issuable hereunder as a result of such exercise if the Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant). The Company shall make provision for compliance with this **Section 4(c)** in the agreements, if any, relating to such transactions, if necessary to give effect to this **Section 4(c)**.

(d) **Adjustment of Warrant Upon Spin-off.** If, at any time after the issuance of this Warrant but prior to the exercise hereof, the Company shall spin-off another Person (the "**Spin-off Entity**"), then the Company (a) shall issue to the Holder a new warrant to purchase, at the Exercise Price, the number of shares of common stock or other proprietary interest in the Spin-off Entity (and any other consideration) that the Holder would have owned had the Holder exercised or converted this Warrant immediately prior to the consummation of such spin-off and (b) shall make provision therefor in the agreement, if any, relating to such spin-off. Such new warrant shall provide for rights and obligations which shall be as nearly equivalent as may be practicable to the rights and obligations provided for in this Warrant. The provisions of this **Section 4(d)** (and any equivalent thereof in any such new warrant) shall apply to successive transactions.

(e) **Certificate as to Adjustment.**

(i) As promptly as reasonably practicable following any adjustment of the number of Warrant Shares pursuant to the provisions of this **Section 4**, but in any event not later than five (5) Business Days thereafter, the Company shall furnish to the Holder a certificate of an officer of the Company setting forth in reasonable detail such Adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five (5) Business Days thereafter, the Company shall furnish to the Holder a

certificate of an officer of the Company certifying the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(f) **Notices.** In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution (including any spin-off); or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person;

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company; or

(iv) any other event that may cause an Adjustment; then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten (10) Business Days or, if less, as soon as practicable, prior to the applicable Ex-dividend Date, record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the Ex-dividend Date, the record date for such dividend or distribution, and a description of such dividend or distribution, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding-up or other event is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding-up or other event, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

(g) In the event that more than one Adjustment is required to be made in connection with an event or series of events, the Adjustments pursuant to this **Section 4** shall be applied in such order as to provide the holders of the Warrants with the benefits to which they would have been entitled had the Warrants been exercised immediately prior to the earliest record date for such events.

5. **Transfer of Warrant.** Subject to the transfer conditions referred to in the legend endorsed hereon and in **Section 9**, this Warrant and all rights hereunder are and will be transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices with a properly completed and duly executed assignment agreement in form and substance reasonably satisfactory to the Company, together with funds sufficient to pay any transfer taxes described in the proviso to **Section 3(e)(iv)** in connection with the making of such transfer. Upon such compliance, surrender and delivery and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

6. **Holder Not Deemed a Stockholder; Limitations on Liability.** Except as expressly set forth herein, this Warrant does not entitle the Holder to any voting rights or other rights as a shareholder of the Company until the Holder has received Warrant Shares issuable upon exercise of this Warrant pursuant to the terms hereof, nor shall anything contained in this Warrant be construed to confer upon the Holder, as such, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends (except as set forth in **Section 5**) or subscription rights, or otherwise. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

7. **Replacement on Loss; Division and Combination.**

(a) **Replacement of Warrant on Loss.** Upon receipt of evidence reasonably satisfactory to the Company of

the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed.

(b) **Division and Combination of Warrant.** Subject to compliance with the applicable provisions of this Warrant as to any transfer or other assignment which may be involved in such division or combination, including the provisions of **Section 9**, this Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. Subject to compliance with the applicable provisions of this Warrant as to any transfer or assignment which may be involved in such division or combination, the Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

8. [Limitation on Exercise. Except in the context of a Change of Control, a Holder of a Warrant that, together with its Affiliates, Beneficially Owns less than [5%]/[10%] (the “**Threshold Percentage**”) of the shares of Common Stock outstanding will not have the right to exercise such Warrant and such Warrant shall not be exercisable by the Company, for so long as the shares of Common Stock are registered under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), if and to the extent that after giving effect to such exercise, such Person (together with such Person’s Affiliates) or any “group” (within the meaning of Section 13d-3 of the Exchange Act) that includes such Person would Beneficially Own in excess of [4.99%]/[9.99%] (the “**Restricted Ownership Percentage**”) of the shares of Common Stock outstanding immediately after giving effect to such exercise (the “**Conversion Blocker**”). Each Holder shall have the right at any time and from time to time to reduce the Restricted Ownership Percentage or Threshold Percentage applicable to such Holder immediately upon prior notice to the Company or increase the Restricted Ownership Percentage applicable to such holder upon 61 days’ prior written notice to the Company.] (Only to be included if requested by Holder.)

9. Compliance with the Securities Act.

(a) **Agreement to Comply with the Securities Act; Legend.** The Holder, by acceptance of this Warrant, agrees to comply in all respects with the provisions of this **Section 9** and the restrictive legend requirements set forth on the face of this Warrant and further agrees that such Holder shall not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof except under circumstances that will not result in a violation of the Securities Act of 1933, as amended (the “**Securities Act**”). This Warrant and all Warrant Shares issued upon exercise of this Warrant shall be stamped or imprinted with a legend in substantially the following form:

“THIS SECURITY AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(i) REPRESENTS THAT IT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D AS PROMULGATED UNDER THE SECURITIES ACT, AND

(ii) AGREES FOR THE BENEFIT OF INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC. (THE “**COMPANY**”) THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN EXCEPT:

- a. TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR
- b. PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR
- c. PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER OF THIS SECURITY OR ANY SECURITY ISSUABLE UPON EXERCISE OF THIS SECURITY, IF ANY, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY

REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.”

The requirement imposed by this **Section 9** shall cease and terminate as to this Warrant or any particular Warrant Share when, in the written opinion of counsel reasonably acceptable to the Company, such legend is no longer required in order to assure compliance by the Company with the Securities Act. Wherever such requirement shall cease and terminate as to this Warrant or any Warrant Share, the Holder or the holder of such Warrant Share, as the case may be, shall be entitled to receive from the Company, without expense, a new warrant or a new stock certificate, as the case may be, not bearing the legend set forth in this **Section 9**.

(b) **Representations of the Holder.** In connection with the issuance of this Warrant, the Holder specifically represents, as of the date hereof, to the Company by acceptance of this Warrant as follows:

(i) The Holder is an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The Holder is acquiring this Warrant and the Warrant Shares to be issued upon exercise hereof for investment for its own account and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant or the Warrant Shares, except pursuant to sales registered or exempted under the Securities Act.

(ii) The Holder understands and acknowledges that this Warrant and the Warrant Shares to be issued upon exercise hereof are “restricted securities” under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that, under such laws and applicable regulations, such securities may be resold without registration under the Securities Act only in certain limited circumstances. In addition, the Holder represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

(iii) The Holder acknowledges that it can bear the economic and financial risk of its investment for an indefinite period, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Warrant and the Warrant Shares. The Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Warrant and the business, properties, prospects and financial condition of the Company.

10. **Tax Treatment.** The parties hereto agree that (i) the Warrant shall be treated as common equity of the Company for U.S. federal, and applicable state and local, income tax purposes and (ii) the exchange of the Warrant for Warrant Shares pursuant to **Section 3** shall be treated as a recapitalization within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended. The parties hereto agree that the aggregate fair market value of the Warrant on the date hereof is \$4.42 per Warrant Share and that such amount of the Holder’s Commitment Amount will be allocable to the Holder’s Warrants ratably on the basis of the number of Warrant Shares with the balance of the Commitment Amount allocable to the Holder’s shares of Series B Preferred Stock for U.S. federal, and applicable state and local, income tax purposes. If a Holder receives additional Warrants pursuant to Section 5.6 of the Commitment Agreement, such additional Warrants will be treated as an adjustment to purchase price of the Holder’s Warrants and the Holder’s shares of Series B Preferred Stock for U.S. federal, and applicable state and local, income tax purposes, with such additional Warrants valued at the same amount stated in the first sentence of this Section 2.3, and the allocation of the Holder’s Commitment Amount pursuant to this **Section 10** and Section 2.3 of the Commitment Agreement shall be readjusted accordingly. The parties hereto shall prepare their respective U.S. federal, and applicable state and local income Tax Returns in a manner consistent with the foregoing treatment and allocation.

11. **Warrant Register.** The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours

of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 12**).

If to the Company: Infrastructure and Energy Alternatives, Inc.
[•]
[•]
Attn: [•]
Tel: [•]
Email: [•]

with a copy to (which shall not constitute notice): Kirkland & Ellis LLP
[•]
[•]
Attn: [•]
Tel: [•]
Email: [•]

If to the Holder: [ADDRESS]
[ADDRESS]
Attention: [•]
Facsimile: [•]
Email: [•]

with a copy to (which shall not constitute notice): Paul, Weiss, Rifkind, Wharton & Garrison
LLP
1285 Avenue of the Americas
New York, New York 10019
Attn: Kenneth M. Schneider
Attn: Lawrence G. Wee
Facsimile: (212 492-0303)
Facsimile: (212 492-0052)
Email: kschneider@paulweiss.com
Email: lwee@paulweiss.com

13. Entire Agreement. This Warrant, the Commitment Agreement and the Registration Rights Agreement dated as of March 26, 2018 by and among the Company, IEA Parent, M III Sponsor I LLC and M III Sponsor I LP, Cantor Fitzgerald & Co., Mr. Osbert Hood and Mr. Philip Marber, as amended, constitute the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the provisions contained in this Warrant and the Commitment Agreement, the provisions contained in this Warrant shall control.

14. Successor and Assigns. This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the successors of the Company and the successors and permitted assigns of the Holder. Such successors and/or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder.

15. No Third-Party Beneficiaries. This Warrant is for the sole benefit of the Company and the Holder and their respective successors and, in the case of the Holder, permitted assigns and nothing herein, express or implied, is intended to

or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Warrant.

16. Headings. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

17. Amendment and Modification; Waiver. Except as otherwise provided herein, this Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. Severability. If any term or provision of this Warrant is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant or invalidate or render unenforceable such term or provision in any other jurisdiction.

19. Governing Law; Specific Enforcement; Submission to Jurisdiction; Waiver of Jury Trial.

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(a) This Warrant shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of law principles of such state.

(b) The parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Warrant and to enforce specifically the terms and provisions of this Warrant in any court of competent jurisdiction, in each case without proof of damages or otherwise (and each party hereto hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties hereto agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy.

(c) Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware declines to accept jurisdiction, any state or federal court within the State of Delaware), for the purposes of any action or legal proceeding arising out of this Warrant and the rights and obligations arising hereunder, and irrevocably and unconditionally waives any objection to the laying of venue of any such action or legal proceeding in any such court, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action or legal proceeding has been brought in an inconvenient forum. Each party hereto agrees that service of any process, summons, notice or document by registered mail to such party's respective address set forth in **Section 12** shall be effective service of process for any such action or legal proceeding.

(d) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, CLAIM OR LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS WARRANT. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, CLAIM OR LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS WARRANT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS **SECTION 19**.

20. Counterparts. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed

copy of this Warrant.

21. No Strict Construction. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

By: _____

Name:

Title:

Accepted and agreed,

[HOLDER NAME]

By: _____

Name:

Title:

EXHIBIT A

NOTICE OF EXERCISE

Infrastructure and Energy Alternatives, Inc. []
Attn: []

Date: [•]

Pursuant to the provisions set forth in the Warrant (Warrant Certificate No.: W-[•]), dated as of May [], 2019 (the “Warrant”), attached hereto as Annex I, the undersigned hereby irrevocably elects to exercise such Warrant and hereby notifies you of such election to purchase [•] Warrant Shares and herewith makes payment of \$[•] (the “Aggregate Exercise Price”) in accordance with Section 3(b) of the Warrant, representing the full payment of the Aggregate Exercise Price for such Warrant Shares. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Warrant.

Number of Warrant Shares (check the box that applies).

- This Notice of Exercise involves fewer than all of the Warrant Shares that are exercisable under the Warrant and I retain the right to exercise my Warrant for the balance of the Warrant Shares remaining in accordance with the terms and subject to the conditions of the Warrant. I hereby request that the Company deliver to me a new Warrant evidencing my rights to purchase the unexpired and unexercised Warrant Shares.
- This Notice of Exercise involves all of the Warrant Shares that are exercisable under the Warrant, which Warrant is hereby enclosed herewith and surrendered to the Company hereby (or, in the case of its loss, theft or destruction, the undersigned undertakes to indemnify the Company from any loss as a result thereof).

Payment of Aggregate Exercise Price (check the box(es) that applies).

- Payment of the Aggregate Exercise Price will be made by delivery to the Company of a certified or official bank check payable to the order of the Company in the amount of \$[•];
- Payment of the Aggregate Exercise Price will be made by wire transfer of immediately available funds to an account designated in writing by the Company; or
- Payment of the Aggregate Exercise Price will be made by instructing the Company to withhold [•] Warrant Shares issuable upon the exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price.

[HOLDER]

By: _____
Name: _____
Title: _____

ANNEX I

WARRANT

[To be attached.]

EXHIBIT C

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

(See attached.)

EXECUTION VERSION

EXHIBIT C

REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Unless otherwise specified herein, capitalized terms used in this Exhibit C (this “Exhibit”) and not defined herein shall have the meanings ascribed to such terms in that certain Equity Commitment Agreement (the “Agreement”), dated as of May 14, 2019, by and among the Company and the Commitment Parties thereto. For the avoidance of doubt, Section 1.2 (*Construction*) of the Agreement shall apply to this Exhibit, *mutatis mutandis*.

The Company, on behalf of itself and each of its direct and indirect Subsidiaries, represents and warrants to each Commitment Party, as of the date of the Agreement and as of the Closing, as follows:

(a) **Organization and Qualification.** Each of the Company and each of its Subsidiaries are entities duly organized, validly existing and in good standing under the Laws of the jurisdiction in which they are formed, and each has the requisite power and authority to own its properties and to carry on its business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its Subsidiaries is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect. Other than the Persons set forth on Exhibit 21.1 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the “2018 Form 10-K”), the Company has no Subsidiaries and does not own Capital Stock in any other Person.

(b) **Authorization; Enforcement; Validity.** The Company has the requisite power and authority to enter into and perform its obligations under the Agreement and the other Definitive Documents, to consummate the transaction contemplated hereby and thereby and to issue the Securities (as defined below) in accordance with the terms hereof and thereof. The execution and delivery of the Agreement and the other Definitive Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby (including the issuance of the Securities and the reservation for issuance and issuance of Common Stock (as defined below) issuable upon the exercise of the Warrants in accordance with, and pursuant to, the Warrant Certificate) have been duly authorized by the Company, and such authorization has not been, and as of the Closing will not have been, subsequently rescinded or modified in any way, and (other than the filing with the Securities and Exchange Commission (the “SEC”) of one or more Registration Statements in accordance with the requirements of the amended Registration Rights Agreement and Form D, if applicable, and the filing of the Certificate of Designations pursuant to and in accordance with the Agreement), no further filing, consent or authorization is or will be required to be made by or on behalf of the Company, its Subsidiaries and their respective boards of directors, stockholders or other governing bodies in connection with the transactions contemplated by the Definitive Documents. The Agreement has been, and the other Definitive Documents to which the Company is a party will be, prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors’ rights and remedies and except as rights to indemnification and to contribution may be limited by applicable federal or state securities Law (the “General Enforceability Exceptions”). At or prior to the Closing, the Company will cause the Certificate of Designations to be filed with the Secretary of State of the State of Delaware, and the Company will ensure that, at and as of the Closing, the Certificate of Designations will be in full force and effect, enforceable against the Company in accordance with its terms and will not have been amended or modified. “Securities” means the Series B Preferred Stock and the Warrants (including the shares of Common Stock issuable upon exercise of the Warrants), in each case, that will be delivered to each of the Commitment Parties at the Closing.

(c) **Issuance of Securities.** The issuance of the Securities is duly authorized, and upon issuance in accordance with the terms of the Definitive Documents will be validly issued, fully paid and non-assessable (to the extent such concepts are

applicable) and free and clear of all Liens. The issuances of the Securities in connection with the transactions contemplated by the Definitive Documents are in compliance, in all respects, with all applicable Laws, and the Securities are not subject to, and will not be issued in violation of, any purchase options, call options, rights of first refusal, preemptive rights, subscription rights or any similar rights under applicable Law, the Company Organizational Documents or any Contract to which the Company or any of its Subsidiaries is a party or by which it is bound. Subject to the accuracy of the representations and warranties of the Commitment Parties set forth in Article IV of the Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the Securities Act. As of the Closing, the Company will have reserved from its duly authorized Capital Stock the maximum number of shares of Common Stock authorized under its Certificate of Incorporation that are available after giving effect to shares of Common Stock reserved for issuance or issuable upon the exercise of the Warrants. Upon the issuance of Common Stock following an exercise of the Warrants in accordance with the Warrant Certificate, such Common Stock, when issued, will be validly issued, fully paid and non-assessable and free and clear of all Liens with respect to the, with the holders thereof being entitled to all rights accorded to a holder of Common Stock. "Company Organizational Documents" mean the Certificate of Incorporation of the Company, as amended through the date hereof (the "Certificate of Incorporation"), and the Company's bylaws, as amended through the date hereof (the "Bylaws").

(d) No Conflicts. The execution, delivery and performance of the Definitive Documents by the Company and the consummation by the Company of the transactions contemplated thereby (including the issuance of the Securities and the reservation for issuance and issuance of Common Stock issuable upon the exercise of the Warrants in accordance with the Warrant Certificate) will not (i) result in a violation of the Certificate of Incorporation (including any certificate of designation contained therein), Bylaws, certificate of formation, memorandum of association, articles of association, bylaws or other organizational documents of the Company or any of its Subsidiaries (collectively, the "Group Companies Organizational Documents"), or any Capital Stock or other securities of the Company or any of its Subsidiaries (after receiving a consent from the holders of the Series A Preferred Stock), (ii) except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business of the Company and its Subsidiaries taken as a whole, conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract that would be required to be filed by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act (a "Material Contract") or other agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party or (iii) result in a material violation of any Law (including, for the avoidance of doubt, foreign, federal and state securities Laws and the rules and regulations of the Principal Market) or Order that would be material to the business of the Company and its Subsidiaries taken as a whole.

(e) Consents. Neither the Company nor any Subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with (other than the filing with the SEC of one or more Registration Statements in accordance with the requirements of the amended Registration Rights Agreement and Form D, if applicable, and the filing of the Certificate of Designations and making any required filings with the Principal Market), any Governmental Entity or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by the Definitive Documents, in each case, in accordance with the terms hereof and thereof. To the Company's Knowledge, no facts or circumstances exist which might prevent the Company or any of its Subsidiaries from obtaining or effecting any of the registrations, applications or filings contemplated by the Definitive Documents. The Company is not in violation of the requirements of the Principal Market and has no Knowledge (as defined below) of any facts or circumstances which could reasonably lead to delisting or suspension of the Common Stock. "Knowledge" or "Company's Knowledge" means the actual knowledge, after due inquiry, of JP Roehm, Andy Layman, Mike Stoecker, Brian Hummer, Frank Montgomery and Ben Holstrom.

(f) Acknowledgment Regarding Commitment Party's Purchase of Securities. The Company acknowledges and agrees that each Commitment Party is acting solely in the capacity of an arm's length purchaser with respect to the Definitive Documents and the transactions contemplated thereby, and that no Commitment Party is (i) an officer or director of the Company or any of its Subsidiaries, (ii) an "affiliate" (as defined in Rule 144) of the Company or any of its Subsidiaries or (iii) to the Company's Knowledge, a "beneficial owner" of more than 10% of the shares of Common Stock (as defined for purposes of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (including the rules and regulations promulgated thereunder, the "1934 Act")), other than, in the case of each of clauses (ii) and (iii) above, a Commitment Party affiliated with the Company prior to the date hereof (the "Affiliated Commitment Party"). The Company further acknowledges that no Commitment Party is acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to the Definitive Documents and the transactions contemplated thereby, and any advice given by a Commitment Party or any of its Representatives in connection with the Definitive Documents and the transactions contemplated thereby is merely incidental to such Commitment Party's purchase of the Securities. The Company further represents to each Commitment Party that the Company's decision to enter into the Definitive Documents to which it is a party has been based solely on the independent

evaluation by the Company and its Representatives.

(g) No General Solicitation; Agents' Fees. Neither the Company, nor any of its Subsidiaries, Affiliates, Representatives or any other Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. No placement agent's fees, financial advisory fees, or brokers' commissions or fees or any similar fees are or will be owed or payable to any Person in connection with transactions contemplated by the Definitive Documents. The Company shall pay, and hold each Commitment Party harmless against, any Losses arising out of or in connection with any such claim. Neither the Company nor any of its Subsidiaries has engaged any placement agent or other agent in connection with the offer or sale of the Securities.

(h) No Integrated Offering. Neither the Company, its Subsidiaries nor, to the Company's Knowledge, any of their Affiliates or Representatives, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security, or solicited any offers to buy any security, in each case, under circumstances that would require registration of the issuance of any of the Securities under the Securities Act, whether through integration with prior offerings or otherwise, or caused the offering of the Securities pursuant to the Definitive Documents to require approval of the stockholders of the Company for purposes of the Securities Act or under any applicable stockholder approval provisions, including under the rules and regulations of any exchange or automated quotation system on which any of the Capital Stock of the Company are listed or designated for quotation. Neither the Company, its Subsidiaries, nor, to the Company's Knowledge, their Affiliates, Representatives nor any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the Securities under the Securities Act or cause the offering of any of the Securities pursuant to the Definitive Documents to be integrated with other offerings of securities of the Company.

(i) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary actions, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including any distribution under a rights agreement), stockholder rights plan or other similar anti-takeover provision under any of the Group Companies Organizational Documents or the Laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to any Commitment Party as a result of the transactions contemplated by the Definitive Documents, including the Company's issuance of the Securities and ownership by any Commitment Party of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of shares of Common Stock or a change in control of the Company or any of its Subsidiaries.

(j) SEC Documents: Financial Statements. During the two (2) years prior to the date hereof, the Company has timely filed all reports, schedules, forms, proxy statements, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act or the Securities Act (all of the foregoing filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). The Company has delivered or has made available to the Commitment Parties true, correct and complete copies of each of the SEC Documents not available on the EDGAR system. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act, the rules and regulations of the SEC promulgated thereunder and the rules and regulations of the Principal Market, in each case, applicable to the SEC Documents, and none of the SEC Documents contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. None of the Company's Subsidiaries is subject to the periodic reporting requirements of the 1934 Act. There are no outstanding or unresolved comments in comment letters from the SEC staff with respect to any of the SEC Documents. To the Company's Knowledge, no SEC Document is the subject of ongoing SEC review or outstanding SEC investigation. As of their respective dates, the audited and unaudited financial statements of the Company included in the SEC Documents (including, in each case, the notes thereto, the "Financial Statements") complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. The Financial Statements have been prepared in accordance with GAAP (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements), and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). The reserves, if any, established by the Company or the lack of reserves, if applicable, are reasonable based upon facts and circumstances known by the Company on the date hereof, and there are no loss contingencies that are required to be accrued by the Statement of Financial Accounting Standard No. 5 of the Financial Accounting Standards Board which are not provided for by the Company in the Financial Statements. No other information provided by or on behalf of the Company to any of the Commitment Parties which is not included in the SEC Documents

contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made. The Company is not currently contemplating to amend or restate any of the Financial Statements (including any notes or any letter of the independent accountants of the Company with respect thereto), nor, to the Company's Knowledge, do there exist any facts or circumstances which would require the Company to amend or restate any of the Financial Statements, in each case, in order for any of the Financials Statements to be in compliance with GAAP and the rules and regulations of the SEC. The Company has not been informed by its independent accountants that they recommend that the Company amend or restate any of the Financial Statements or that there is any need for the Company to amend or restate any of the Financial Statements.

(k) Absence of Certain Changes. Except as set forth in the SEC Documents, since December 31, 2018 (the "10-K Date"), there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries taken as a whole. Since the 10-K Date, except as set forth in the SEC Documents, neither the Company nor any of its Subsidiaries has taken any action that if taken after the date hereof would require the consent of the Commitment Parties pursuant to Section 5.1(b) of the Agreement. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any applicable Law relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any Knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any Knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and, after giving effect to the transactions contemplated by the Definitive Documents to occur at the Closing, will not be, Insolvent (as defined below). "Insolvent" means, (i) with respect to the Company and its Subsidiaries, on a consolidated basis, (A) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total Indebtedness (as defined below), (B) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature; and (ii) with respect to the Company and each Subsidiary, individually, (A) the present fair saleable value of the Company's or such Subsidiary's (as the case may be) assets is less than the amount required to pay its respective total Indebtedness, (B) the Company or such Subsidiary (as the case may be) is unable to pay its respective debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company or such Subsidiary (as the case may be) intends to incur or believes that it will incur debts that would be beyond its respective ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and does not plan to engage in any business or in any transaction, for which the Company's or such Subsidiary's remaining assets constitute unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(l) No Undisclosed Events, Liabilities, Developments or Circumstances. Except with respect to the transactions contemplated by the Definitive Documents, or in the SEC Documents, since the 10-K Date, no event, liability, obligation, development or circumstance (whether absolute, accrued, contingent, fixed or otherwise) has occurred or existed, or is reasonably expected to exist or occur with respect to the Company, any of its Subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise), that would, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business of the Company and its Subsidiaries taken as a whole.

(m) Conduct of Business; Regulatory Permits. Except as would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the business of the Company and its Subsidiaries taken as a whole, neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Certificate of Incorporation, any certificate of designation, preferences or rights of any other outstanding series of preferred stock of the Company or any of its Subsidiaries or the other Group Companies Organizational Documents, respectively. Except as would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the business of the Company and its Subsidiaries taken as a whole, neither the Company nor any of its Subsidiaries (i) is, or has been in the last three (3) years, in violation of any applicable Law or Order applicable to the Company or any of its Subsidiaries,

(i) has received in the last three (3) years a notification or communication from any Governmental Entity asserting that it is not or has not been in compliance with any applicable Law or Order and

(ii) will conduct its business in violation of any of the foregoing. Without limiting the generality of the foregoing, except as would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the business of the Company and its Subsidiaries taken as a whole, the Company is not in violation of any of the rules, regulations or requirements

of the Principal Market, and has no Knowledge of any facts or circumstances that could reasonably lead to delisting or suspension of the Common Stock by the Principal Market in the foreseeable future. Except as set forth in the SEC Documents, during the two (2) years prior to the date hereof, (i) the Common Stock has been listed or designated for quotation on the Principal Market, (ii) trading in the Common Stock has not been suspended by the SEC or the Principal Market and (iii) the Company has received no communication, written or oral, from the SEC or the Principal Market regarding the suspension or delisting of the Common Stock from the Principal Market. The Company and each of its Subsidiaries possess all licenses, certificates, authorizations and permits issued by the appropriate Governmental Entity necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the business of the Company and its Subsidiaries taken as a whole, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such license, certificate, authorization or permit. There is no Contract or Order binding upon the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is a party which, individually or together with any other Contract or Order, has had or would reasonably be expected to have the effect of prohibiting or materially impairing any business practice of the Company or any of its Subsidiaries, any acquisition of property by the Company or any of its Subsidiaries or the conduct of business by the Company or any of its Subsidiaries as currently conducted.

(n) Foreign Corrupt Practices. Neither the Company, any of its Subsidiaries nor any of their respective directors, officers, or to the Company's Knowledge, other Representatives (individually and collectively, a "Company Affiliate") have violated the U.S. Foreign Corrupt Practices Act (the "FCPA") or any other applicable anti-bribery or anti-corruption Law, nor has any Company Affiliate offered, paid, promised to pay, or authorized the payment of, any money, or offered, given, promised to give, or authorized the giving of, anything of value, to any officer, employee or any other person acting in an official capacity for any Governmental Entity or any political party or official thereof or to any candidate for political office (individually and collectively, a "Government Official") or to any Person under circumstances in which such Company Affiliate knew or was aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of:

(i) (A) influencing any act or decision of such Government Official in his/her official capacity, (B) inducing such Government Official to do or omit to do any act in violation of his/her lawful duty, (C) securing any improper advantage, or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Entity, or

(ii) assisting the Company or its Subsidiaries in obtaining or retaining business for or with, or directing business to, the Company or its Subsidiaries. The Company and each of its Subsidiaries have in place policies, procedures and controls that are reasonably designed to promote and ensure compliance with the (i) FCPA and (ii) other applicable anti-bribery or anti-corruption laundering Laws in each foreign jurisdiction in which the Company or any of the Subsidiaries do business.

(o) Sarbanes-Oxley Act. The Company and each Subsidiary is in material compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002, as amended, and any and all applicable rules and regulations promulgated by the SEC thereunder.

(p) Transactions With Affiliates. Except as set forth in the SEC Documents, there have not been any transactions or Contracts or series of related transactions or Contracts required to be disclosed under Item 404 of Regulation S-K under the 1934 Act.

(q) Equity Capitalization.

(i) Definition: "Preferred Stock" means (x) the Company's blank check preferred stock, \$0.0001 par value per share (including the Series A Preferred Stock), the terms of which may be designated by the board of directors of the Company in a certificate of designations and (y) any Capital Stock of the Company into which such preferred stock shall have been changed or any share capital resulting from a reclassification of such preferred stock (other than a conversion of such preferred stock into Common Stock in accordance with the terms of such certificate of designations).

(ii) Authorized and Outstanding Capital Stock. As of the date hereof, the authorized capital stock of the Company consists of (A) 100,000,000 shares of Common Stock, of which, 22,252,489 are issued and outstanding and 20,000,000 shares will be reserved for issuance on the Closing Date pursuant to the conversion of Series A Preferred Stock into Common Stock and (B) 1,000,000 shares of Preferred Stock, 34,965 of which are issued and outstanding

as the Series A Preferred Stock, \$0.0001 par value, of the Company, the terms of which are set forth in the certificate of designations for such preferred stock (the “Series A Preferred Stock”). 13,722 shares of Common Stock are held in the treasury of the Company. At the Closing, 84,965 shares of Preferred Stock will be issued and outstanding, 34,965 of which will remain issued and outstanding as the Series A Preferred Stock, \$0.0001 par value, of the Company, the terms of which are set forth in the certificate of designations for such preferred stock, and 50,000 of which will be issued and outstanding as the Series B Preferred Stock, \$0.0001 par value, the terms of which will be set forth in the Certificate of Designations. Except for the foregoing Capital Stock, the Company has no other Capital Stock authorized, reserved for issuance or outstanding.

(iii) Valid Issuance; Available Shares; Affiliates. All of the Company’s Capital Stock is, or, with respect to the Series B Preferred Stock, will be at the Closing, duly authorized and have been, or upon issuance will be, validly issued, fully paid and non- assessable (as such concepts are applicable). All the outstanding shares of Capital Stock of each Subsidiary of the Company have been validly issued and are fully paid and non- assessable (to the extent such concepts are applicable) and are owned, directly or indirectly, by the Company free and clear of all Liens. Schedule q(iii) sets forth the number of shares of Common Stock that (A) will be reserved for issuance pursuant to the conversion of Series A Preferred Stock into Common Stock as of the Closing Date and (B) that are, as of the date hereof, owned by Persons who are “affiliates” (as defined in Rule 405 of the Securities Act and calculated based on the assumption that only officers, directors and holders of at least 10% of the Company’s issued and outstanding Common Stock are “affiliates” without conceding that any such Persons are “affiliates” for purposes of federal

securities Laws) of the Company or any of its Subsidiaries. To the Company’s Knowledge, other than Affiliates of the Affiliated Commitment Party, no Person owns 10% or more of the Company’s issued and outstanding shares of Common Stock (calculated based on the assumption that all convertible Capital Stock (as defined in the Certificate of Designations), whether or not presently exercisable or convertible, has been fully exercised or converted (as the case may be) taking account of any limitations on exercise or conversion (including “blockers”) contained therein) without conceding that such identified Person is a 10% stockholder for purposes of applicable federal securities Laws.

(iv) Existing Securities; Obligations. Except as disclosed in the SEC Documents: (A) none of the Company’s or any of its Subsidiaries’ Capital Stock is subject to preemptive rights or any other similar rights or restrictions or Liens suffered or permitted by the Company or any Subsidiary; (B) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any Capital Stock of the Company or any of its Subsidiaries, or Contracts by which the Company or any of its Subsidiaries is or may become bound to issue additional Capital Stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any Capital Stock of the Company or any of its Subsidiaries; (C) there are no Contracts under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act; (D) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no Contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (E) there are no securities or instruments or Capital Stock containing anti- dilution or similar provisions that will be triggered by the issuance of the Securities; (F) neither the Company nor any Subsidiary has any stock appreciation rights or “phantom stock” plans or agreements or any similar plan or agreement; and (G) there are no stockholder agreements, voting trusts or other agreements to which the Company or any of its Subsidiaries is a party or by they are bound relating to the voting of any shares, interests or capital stock of the Company or any of its Subsidiaries.

(v) Warrants. At the Closing, the aggregate number of Warrants issued at the Closing will represent (on an as-if-converted to Common Stock basis) 10% of the issued and outstanding Common Stock of the Company based on the Company’s Fully Diluted Share Count (including any outstanding securities, shares of Common Stock subject to repurchase rights, shares of Common Stock issued or issuable upon conversion of the Preferred Stock and any warrants and options authorized or reserved under a Plan but not granted or issued and treating all outstanding securities of the Company that are convertible into or exercisable or exchangeable for shares of Common Stock as the maximum number of shares of Common Stock issuable with respect to such securities as of the Closing). From and after the Closing, the Company will comply with the terms of the Warrant Certificate, including the reservation of such number of shares of Common Stock of the Company required for the conversion of the Warrants in accordance with the Warrant Certificate.

(vi) Organizational Documents. True, correct and complete copies of the Company Organizational

Documents, and the terms of all convertible securities and the material rights of the holders thereof in respect thereto, are set forth in, or filed as exhibits to the SEC Documents.

(r) Indebtedness. Other than as set forth in the SEC Documents, and except as set forth on Schedule (r), neither the Company nor any of its Subsidiaries, (i) has any outstanding debt securities, notes, credit agreements, credit facilities or other Contracts evidencing Indebtedness (as defined below) of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound, in each case, other than any such Contract solely between or among any of the Company and any of its Subsidiaries and other than pursuant to the Credit Agreement, (ii) has any financing statements securing obligations in any amounts filed in connection with the Company or any of its Subsidiaries; (iii) is in violation of any term of, or in default under, any Contract relating to any Indebtedness, except where such violations and defaults would not reasonably be expected to result, individually or in the aggregate, in a material adverse effect on the business of the Company and its Subsidiaries taken as a whole or (iv) is a party to any Contract relating to any Indebtedness, the performance of which has had, or is reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business of the Company and its Subsidiaries taken as a whole. No default or event of default (or occurrence or event that, with or without the passage of time, or both, would, individually or in the aggregate, result, or would reasonably be expected to result, in a default or event of default) exists with respect to the Indebtedness of the Company, and, to the Knowledge of the Company, there are no disputes between any holder of any such Indebtedness, on the one hand, and the Company or any of its Subsidiaries, on the other hand, with respect thereto (including the calculations or other determinations of any financial covenant of any such Indebtedness). All Indebtedness, trade payables (as determined in accordance to GAAP) and accounts payable (as determined in accordance to GAAP) of the Company and its Subsidiaries, on a consolidated basis, that are owed by the Company or any of its Subsidiaries to their respective suppliers, vendors, prime contractors, sub-contractors, third party service providers and/or any other related Person (collectively, the "Vendors") and past due, as applicable, does not exceed, in the aggregate, \$27,000,000. Neither the Company nor any of its Subsidiaries have any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents. For purposes of this Exhibit: (x) "Indebtedness" of any Person means, without duplication (A) all indebtedness, liabilities or obligations for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including "capital leases" in accordance with GAAP) (other than trade payables entered into in the ordinary course of business consistent with past practice), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in each case, including with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property) and any seller notes and "earn out" payments, (F) all monetary obligations under any leasing or similar arrangement which, in connection with GAAP, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, (H) all Contingent Obligations (as defined below) in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above and (I), with respect to all indebtedness referred to in clauses (A) through (H) above, all accrued interest thereon, if any, and any termination fees, prepayment penalties, "breakage" cost or similar payments associated with the repayments of such Indebtedness; and (y) "Contingent Obligation" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(s) Material Contracts. Other than as set forth in the SEC Documents, neither the Company nor any of its Subsidiaries is party to, and none of their respective properties or assets are bound by, a Material Contract. Each Material Contract set forth in the SEC Documents is in full force and effect, and is a legal, valid and binding agreement of the Company and/or its Subsidiaries, as applicable, and, to the Company's Knowledge, the other parties thereto, subject only to the General Enforceability Exceptions. There is no material default or breach by the Company and/or any of its Subsidiaries, as applicable, with respect to any such Material Contract or, to the Company's Knowledge, any other party thereto, and no event has occurred which, with notice or lapse of time or both, would constitute a material breach or default or would permit termination, material modification or acceleration thereof by any party to such Material Contract. Neither the Company nor any of its Subsidiaries has not waived any material rights under any such Material Contract. Neither the Company nor any of its Subsidiaries has received written notice of the intention of any third party under any such Material Contract to cancel, terminate or materially modify the terms of any such Material Contract, or accelerate the obligations of the Company or any of its Subsidiaries, as applicable, thereunder. There are no current or pending financing arrangements or assignments of proceeds with respect to any

such Material Contract.

(t) Litigation. Except (i) as set forth in the SEC Documents or (ii) as would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the business of the Company and its Subsidiaries taken as a whole, there is no, and for the three (3) years prior to the date hereof there has not been, any action, charge, complaint, suit, arbitration, mediation, grievance, inquiry or investigation or other proceeding (each, an “Action”) before or by the Principal Market, any court, public board, other Governmental Entity, self-regulatory organization or body pending or, to the Knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, the Capital Stock of the Company or any of its Subsidiaries or any of the Company’s or its Subsidiaries’ current or former officers, directors, managers or employees, whether of a civil or criminal nature or otherwise, in their capacities as such. To the Knowledge of the Company, no current or former director, officer, manager or employee of the Company or any of its Subsidiaries has willfully violated 18 U.S.C. §1519 or engaged in spoliation in reasonable anticipation of litigation. Without limitation of the foregoing, there has not been, and to the Knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company, any of its Subsidiaries or any current or former director, officer, manager of employee of the Company or any of its Subsidiaries. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Securities Act or the 1934 Act. To the Company’s Knowledge, no fact exists which might result in or form the basis for any such Action. Neither the Company nor any of its Subsidiaries is subject to any Order.

(u) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts, in each case, as is customary in the businesses in which the Company and its Subsidiaries are engaged. All premiums due and payable in respect of such insurance policies maintained by the Company and its Subsidiaries have been paid in full. Neither the Company nor any of its Subsidiaries have been refused any insurance coverage sought or applied for, and neither the Company nor any such Subsidiary has any reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business on substantially the same terms as now in effect. Excluding insurance policies that have expired and been replaced in the ordinary course of business, no such insurance policy of the Company or any of its Subsidiaries has been, or has been threatened to be, cancelled by the applicable insurer in the past three (3) years, and neither the Company nor any of its Subsidiaries has received any written notice of cancellation or non-renewal of any such insurance policy.

(v) Employee Relations. As disclosed in the SEC Documents, as of December 31, 2018, approximately 595 of the employees of the Company and its Subsidiaries were represented by unions or were subject to collective bargaining agreements. To the Knowledge of the Company, the Company and each of its Subsidiaries maintains good relationships with their respective employees. No executive officer (as defined in Rule 501(f) promulgated under the Securities Act) or other key employee of the Company or any of its Subsidiaries has notified the Company or the applicable Subsidiary that such executive officer or key employee intends to terminate, or materially amend the terms of, its employment with the Company or the applicable Subsidiary. No executive officer or other key employee of the Company or any of its Subsidiaries is or, to the Company’s Knowledge, will be (with or without the passage of time, or both), in violation of any material term of any employment Contract, confidentiality, disclosure or proprietary information Contract, non-competition Contract or any other Contract, or any restrictive covenant, and the continued employment of each such executive officer or other key employee (as the case may be) does not subject the Company or any of its Subsidiaries to any material liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable federal, state, local and foreign Laws respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. There are no strikes or other labor disputes against the Company or any of its Subsidiaries, and, to the Knowledge of the Company, there are no strikes or other labor disputes threatened against the Company or any of its Subsidiaries.

(w) Title.

(i) Real Property. The Company and each of its Subsidiaries holds good title to all real property, leases in real property, facilities or other interests in real property owned or held by the Company or any of its Subsidiaries, as applicable (the “Real Property”). The Real Property is free and clear of all Liens and is not subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except for (a) Liens for current taxes not yet due for which adequate reserves (as determined in accordance with the GAAP) have been established on the Financial Statements and (b) zoning Laws and other land use restrictions that do not, and will not (with or without the passage of time, or both) impair the present or anticipated use of the Real Property subject thereto. Each Real Property held under lease by the Company or any of its Subsidiaries is held by the Company or its applicable Subsidiary under a valid, subsisting and enforceable leases with such exceptions as

are not material and do not interfere with the current and anticipated use made and proposed to be made of such Real Property and buildings by the Company or any of its Subsidiaries, as applicable.

(ii) Fixtures and Equipment. Each of the Company and its Subsidiaries (as applicable) has good title to, or a valid leasehold interest in, the tangible personal property, equipment, improvements, fixtures, and other personal property and appurtenances that are used by the Company or its Subsidiary in connection with the conduct of its business (the "Fixtures and Equipment"). The Fixtures and Equipment are structurally sound, are in good operating condition and repair, are adequate for the uses to which they are being put, are not in need of maintenance or repairs, except for routine maintenance and repairs in the ordinary course of business, and are sufficient for the conduct of the Company's and/or its Subsidiaries' businesses (as applicable) in the same manner as conducted prior to the Closing. Except as set forth in the SEC Documents, the Company and its Subsidiaries collectively own all of the Fixtures and Equipment free and clear of all Liens except for (a) Liens for current Taxes not yet due for which adequate reserves (as determined in accordance with GAAP) have been established on the Financial Statements and (b) zoning Laws and other land use restrictions that do not impair the present or anticipated use of the Fixtures and Equipment subject thereto.

(x) Intellectual Property Rights. The Company and its Subsidiaries collectively own or possess good and marketable title to, or valid licenses to use, all trademarks, trade names, service marks, service mark registrations, service names, original works of authorship, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("Intellectual Property Rights") necessary to conduct their respective businesses as now conducted and presently proposed to be conducted in all material respects. None of the Company's material Intellectual Property Rights have expired or have been terminated or abandoned, or are expected to expire, or to be terminated or abandoned, in each case, within three (3) years from the date of the Agreement. The Company does not have any Knowledge of any infringement, misappropriation or violation by the Company or its Subsidiaries of Intellectual Property Rights of others. There is no Action being made, brought or pending, or to the Knowledge of the Company, being threatened, against the Company or any of its Subsidiaries regarding its Intellectual Property Rights. To the Knowledge of the Company, there are no facts or circumstances which might give rise to any of the foregoing infringements or Actions regarding Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights.

(y) Environmental Laws.

(i) The Company and its Subsidiaries (A) are, and have been for the past three (3) years, in compliance with any and all Environmental Laws (as defined below), and neither the Company nor any of its Subsidiaries has received any written communication alleging that the Company is in violation of, or has any liability under, any Environmental Law, (B) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (C) are in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (A), (B) and (C), the failure to so comply would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the business of the Company and its Subsidiaries taken as a whole. The term "Environmental Laws" means all applicable federal, state, local or foreign Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including Laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, demands or demand letters, licenses, notices or notice letters, Orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(ii) No Hazardous Materials:

(A) have been disposed of or otherwise released from any currently or formerly owned Real Property of the Company or any of its Subsidiaries in violation of any Environmental Laws; and

(B) are, to the Company's Knowledge, present on, over, beneath, in or upon any Real Property or any portion thereof in quantities that would constitute a violation of any Environmental Laws. To the Company's Knowledge, no prior use by the Company or any of its Subsidiaries of any Real Property has

occurred that violates any Environmental Laws, which violation would have, individually or in the aggregate, a material adverse effect on the business of the Company and its Subsidiaries taken as a whole.

(iii) To the Knowledge of the Company, no other Person has stored, treated, recycled, disposed of or otherwise located on any Real Property any Hazardous Materials, including such substances as asbestos and polychlorinated biphenyls.

(iv) None of the Real Property are on any federal or state "Superfund" list or Liability Information System ("CERCLIS") list or any state environmental agency list of sites under consideration for CERCLIS, nor subject to any environmental related Liens.

(z) Subsidiary Rights. Except as expressly set forth in the Credit Agreement, the Company or one of its Subsidiaries has the unrestricted right to vote, and (subject to limitations imposed by applicable Law) to receive dividends and distributions on, all capital securities of its Subsidiaries as owned by the Company or such Subsidiary.

(aa) Tax Status. The Company and each of its Subsidiaries (i) has timely made or filed all Tax Returns required by any jurisdiction to which it is subject, (ii) has timely paid all Taxes and other governmental assessments and charges (including satisfying its withholding tax obligations) levied or imposed on their properties, income or assets or otherwise due and payable, except those being contested in good faith for which adequate reserves (as determined in accordance with the GAAP) have been established on the Financial Statements and (iii) has set aside on its books provision reasonably adequate for the payment of all Taxes for periods subsequent to the periods to which such Tax Returns apply. There are no unpaid Taxes claimed to be due and payable by the Taxing authority of any jurisdiction, and, to Knowledge of the Company, no facts or circumstances exist of that would be the basis for any such claim. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the Internal Revenue Code of 1986, as amended (the "Code"). The net operating loss carryforwards ("NOLs"), if any, for United States federal income tax purposes of the consolidated group of which the Company is the common parent shall not be adversely affected by the transactions contemplated by the Definitive Documents. The transactions contemplated by the Definitive Documents do not constitute an "ownership change" within the meaning of Section 382 of the Code, thereby preserving the Company's ability to utilize such NOLs.

(bb) Internal Accounting and Disclosure Controls. The Company and each of its Subsidiaries (excluding those acquired through the Company's acquisitions of Consolidated Construction Solutions I LLC and William Charles Construction Group) maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that are effective to provide reasonable assurances regarding the reliability of the financial reporting and the preparation of financial statements of the Company and its Subsidiaries for external purposes in accordance with GAAP, and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) transactions are recorded as necessary to permit preparation of financial statements and (iii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company. The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the 1934 Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure. Neither the Company nor any of its Subsidiaries has received any notice or correspondence from any accountants, Governmental Entities or other Person relating to (x) any potential material weakness or significant deficiency in any part of the internal controls over financial reporting of the Company or any of its Subsidiaries or (y) any fraud, whether or not material, that involves (or involved) the management or other employees of the Company or its Subsidiaries who have (or had) a significant role in the Company's or its Subsidiaries' internal controls.

(cc) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its 1934 Act filings and is not so disclosed or that otherwise would be reasonably be expected to have a Material Adverse Effect.

(dd) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(ee) U.S. Real Property Holding Corporation. The Company and each of its Subsidiaries is not, has not ever been, and, for so long as any of the Securities are held by any of the Commitment Parties, shall not become, a U.S. real property holding corporation within the meaning of Section 897 of the Code, and the Company and each Subsidiary shall so certify upon any Commitment Party's request.

(ff) Registration Eligibility. The Company is, and from and after the Closing will be, eligible to register the Registrable Securities (as defined in the Registration Rights Agreement) for resale by the Commitment Parties using Form S-3 promulgated under the 1933 Act.

(gg) Transfer Taxes. On the Closing Date, all stock transfer or other Taxes (other than income or similar Taxes) which are required to be paid in connection with the issuance, sale and transfer of the Securities to be sold to each Commitment Party pursuant to the Definitive Documents will be, or will have been, fully paid or provided for by the Company, and all Laws imposing such Taxes will be or will have been complied with in all material respects.

(hh) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or, to the Company's Knowledge, any of their respective Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries nor, to the Company's Knowledge, any of their respective Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(i) Shell Company Status. The Company is an issuer identified in, and subject to, Rule 144(i).

(jj) Illegal or Unauthorized Payments: Political Contributions. Neither the Company, any of its Subsidiaries nor, to the Company's Knowledge, any of their respective officers, directors, employees, agents or other Representatives or any other business entity or enterprise with which the Company or any Subsidiary is or has been Affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services,

whether or not in contravention of applicable Law, (i) as a kickback, bribe gratuity, lobbying expenditure, political contribution or contingent fee payment to any Person or (ii) to any political organization, or to the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company or any of its Subsidiaries.

(kk) Money Laundering, Sanctions. The Company and its Subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering Laws and regulations and Sanctions (as defined below), including the Laws, executive orders and sanctions programs administered by OFAC (as defined below), including, but not limited, to (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V. Neither the Company, any of its Subsidiaries nor any of their respective directors, officers or, to the Knowledge of the Company, agents, employee or controlled Affiliates (x) is a Sanctioned Person (as defined below) or has any reason to believe that it is acting on behalf of, or for the benefit of, any Sanctioned Person or (y) has engaged in any dealings with or the benefit of any Sanctioned Person, or in or involving any Sanctioned Country (as defined below). "Sanctioned Country" means any country or region that is subject or target of a comprehensive trade embargo under Sanctions (including as of the date of the Agreement, Cuba, Iran, North Korea, Russia, Syria, Venezuela and the Crimea region of Ukraine). "Sanctioned Person" means any individual or entity that is the subject or target of Sanctions, including (A) any individual or entity listed on any Sanctions-related restricted party list, including the U.S. Department of Treasury, Office of Foreign Asset Control's ("OFAC") Specially Designated Nationals and Blocked Persons List and the EU Consolidated List, (B) any entity that is owned, directly or indirectly, or otherwise controlled by a Person or Persons described in (B) above, (C) any national, resident, government, agency, or instrumentality of a Sanctioned Country or (D) any individual or entity otherwise the subject or target of Sanctions. "Sanctions" means all applicable Laws relating to economic, financial or trade sanctions, including any such Laws administered or enforced by the U.S. government (including by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, the United Kingdom (include by Her Majesty's Treasury) or any other relevant Governmental Entity that administers or enforces economic, financial or trade sanctions.

(II) ERISA Compliance.

(i) Except as would not, either individually or in the aggregate, reasonably be expected to result in a material adverse effect on the Company and its Subsidiaries taken as a whole, each Plan is in compliance with the applicable provisions of ERISA, the Code and other applicable federal or state Laws. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations thereunder. “ERISA Affiliate” means any trade or business (whether or not incorporated) that together the Company or any of its Subsidiaries is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA. “Plan” means any material “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) established by the Company or any of its Subsidiaries, or, with respect to any such plan

that is subject to Section 412 of the Code or Title IV of ERISA, any of their respective ERISA Affiliates.

(ii) (A) No ERISA Event has occurred for which the Company, any of its Subsidiaries or any of their respective ERISA Affiliates has any residual liability; and (B) no ERISA Event is expected to occur, except as would not reasonably be expected, individually or in the aggregate, to result in a material adverse effect on the Company and its Subsidiaries taken as a whole. “ERISA Event” means (1) a Reportable Event with respect to a Pension Plan; (2) a withdrawal by the Company, any of its Subsidiaries or any of their respective ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as a termination under Section 4062(e) of ERISA; (3) a complete or partial withdrawal by the Company, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan, written notification of any member of the Consolidated Group or any of their respective ERISA Affiliates concerning the imposition of Withdrawal Liability or written notification that a Multiemployer Plan is in reorganization within the meaning of Title IV of ERISA or that a Multiemployer Plan has been determined to be in “endangered” or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (4) the filing under Section 4041(c) of ERISA of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (5) the imposition of any liability under Title IV of ERISA, other than for the payment of plan contributions or PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company, any of its Subsidiaries or any of their respective ERISA Affiliates, (6) the failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) with respect to any Pension Plan, (7) the application for a minimum funding waiver under Section 302(c) of ERISA with respect to a Pension Plan, (8) the imposition of a Lien under Section 303(k) of ERISA with respect to any Pension Plan, (9) a determination that any Pension Plan is in “at risk” status (within the meaning of Section 303 of ERISA), or (10) the Company, any of its Subsidiaries or any of their respective ERISA Affiliates has engaged in a transaction that is subject to Sections 4069 or 4212(c) of ERISA. “Multiemployer Plan” means any multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA, to which any member of the Consolidated Group or any of their respective ERISA Affiliates makes or is obligated to make contributions, or, during the preceding five (5) plan years, has made or has been obligated to make contributions. “PBGC” means the Pension Benefit Guaranty Corporation. “Reportable Event” means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived. “Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Company, any of its Subsidiaries or any of their respective ERISA Affiliates or to which the Company, any of its Subsidiaries or any of their respective ERISA Affiliates contributes or has an obligation to contribute or has made or has had an obligation to make contributions at any time in the preceding five plan years. “Withdrawal Liability” means the liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such term is defined in Part I of Subtitle E of Title IV of ERISA.

(iii) At no time during the past six (6) years has the Company or any member of its “Controlled Group” (defined as any organization which is a member of a controlled group of organizations within the meaning of Code Sections 414(b), (c), (m) or (o)) maintained, sponsored or contributed to, or been obligated to contribute to (i) any retirement plan which is subject to Title IV of ERISA or Section 412 of the Code or (ii) any “multiemployer plan” as defined in Section 4001(a)(3) of ERISA.

(mm) Management. During the past two (2) year period, no current or former officer or director or, to the Knowledge of the Company, no current ten percent (10%) or greater stockholder of the Company or any of its Subsidiaries has been the subject of:

(i) a petition under applicable bankruptcy Laws or any other applicable insolvency or moratorium Law or the appointment by a court of a receiver, fiscal agent or similar officer for such Person, or any partnership in which such person was a general partner at or within two (2) years before the filing of such petition or such appointment, or any corporation or business association of which such person was an executive officer at or within two (2) years before the time of the filing of such petition or such appointment;

(ii) a conviction in a criminal proceeding or a named subject of a pending criminal proceeding (excluding traffic violations that do not relate to driving while intoxicated or driving under the influence);

(iii) any Order that has not subsequently reversed, suspended or vacated, permanently or temporarily enjoining any such person from, or otherwise limiting, the following activities:

(1) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the United States Commodity Futures Trading Commission or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an Affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(2) engaging in any particular type of business practice; or

(3) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of securities Laws or commodities Laws;

(iv) any Order that has not been subsequently reversed, suspended or vacated, barring, suspending or otherwise limiting for more than sixty (60) days the right of any such person to engage in any activity described in the preceding sub paragraph, or to be associated with persons engaged in any such activity;

(v) a finding by a Governmental Entity in a civil Action or by the SEC or other authority to have violated any securities Laws or decrees, and the judgment in such civil Action or finding by the SEC or any other authority has not been subsequently reversed, suspended or vacated; or

(vi) a finding by a Governmental Entity in a civil Action or by the Commodity Futures Trading Commission to have violated any federal commodities Laws, and the judgment in such civil Action or finding has not been subsequently reversed, suspended or vacated.

(nn) Stock Option Plans. Each stock option granted by the Company was granted (i) in accordance with the terms of the applicable stock option plan of the Company and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable Law. No stock option granted under the Company's stock option plan has been backdated. The Company has not, to the Company's Knowledge, granted, and there is no and has been no policy or practice of the Company to knowingly grant, stock options prior to, or otherwise knowingly coordinated the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(oo) No Disagreements with Accountants and Lawyers. There are no material disagreements of any kind presently existing or, to the Company's Knowledge, reasonably anticipated to arise between the Company and/or any of its Subsidiaries, on the one hand, and the accountants and lawyers formerly or presently employed by the Company and/or any of its Subsidiaries, on the other hand, and the Company and each of its Subsidiaries is current with respect to any fees owed to its respective accountants and lawyers which, the failure to pay could affect the Company's ability to perform any of its obligations under any of the Definitive Documents. In addition, on or prior to the date hereof, the Company had discussions with its accountants about its Financial Statements. Based on those discussions, to the Company's Knowledge, the Company will not be required to restate any Financial Statements or any part thereof.

(pp) No Disqualification Events. With respect to Securities to be offered and sold hereunder in reliance on Rule 506(b) under the Securities Act ("Regulation D Securities"), none of the Company, any of its predecessors, any Affiliated issuer, any director, executive officer, other officer of the Company participating in the offering of the Securities contemplated by the

Definitive Documents, or to the Company's Knowledge, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Commitment Parties a copy of any disclosures provided thereunder.

(qq) Other Covered Persons. The Company is not aware of any Person that has been or will be paid (directly or indirectly) remuneration for solicitation of the Commitment Parties or other potential purchasers in connection with the sale of the Securities contemplated by the Definitive Documents.

(rr) No Additional Agreements. The Company does not have any agreement or understanding with any Commitment Party with respect to the transactions contemplated by the Definitive Documents other than as specified in the Definitive Documents.

(ss) Public Utility Holding Act. None of the Company nor any of its Subsidiaries is a "holding company," or an "affiliate" of a "holding company," as such terms are defined in the Public Utility Holding Act of 2005.

(tt) Federal Power Act. None of the Company nor any of its Subsidiaries is subject to regulation as a "public utility" under the Federal Power Act, as amended.

(uu) Customers and Vendors. Except as set forth on Schedule (uu), (i) neither the Company nor any of its Subsidiaries is engaged in a material dispute or is in material breach or material default under any Contract with any customer whose purchases from the Company or any of its Subsidiaries exceeded 5% of the consolidated net sales of the Company or Vendors of the Company or any of its Subsidiaries that represented greater than 5% of the cash cost of goods sold by the Company or any of its Subsidiaries, as applicable, in each case, during the fiscal year ended December 31, 2018, (ii) there has been no material adverse change in the business relationships of the Company or any of its Subsidiaries with any such customer or Vendor, as applicable, since December 31, 2018, and (iii) no such customer or Vendor has, to the Company's Knowledge, threatened any material modification or change in the business relationship with the Company or any of its Subsidiaries.

(vv) Disclosure. The Company understands and confirms that each of the Commitment Parties will and is entitled to rely on the foregoing representations in effecting transactions in securities of the Company. All disclosure provided to the Commitment Parties regarding the Company and its Subsidiaries, their businesses and the transactions contemplated by the Definitive Documents, including the schedules and exhibits to the Agreement (including this Exhibit), furnished by or on behalf of the Company or any of its Subsidiaries, does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No event or circumstance has occurred and no information exists with respect to the Company or any of its Subsidiaries or its or their business, properties, liabilities, prospects, operations (including results thereof) or conditions (financial or otherwise), which, under applicable Law, requires public disclosure at or before the date hereof or announcement by the Company but which has not been so publicly disclosed. All financial projections and forecasts that have been prepared by or on behalf of the Company or any of its Subsidiaries and made available a Commitment Party have been prepared in good faith based upon reasonable assumptions and represented, at the time each such financial projection or forecast was delivered to such Commitment Party, the Company's best estimate of future financial performance (it being recognized that such financial projections or forecasts are not to be viewed as facts and that the actual results during the period or periods covered by any such financial projections or forecasts may differ from the projected or forecasted results). The Company acknowledges and agrees that no Commitment Party makes or has made any representations or warranties with respect to the transactions contemplated by the Definitive Documents other than those specifically set forth in Article IV of the Agreement.

**CERTIFICATION PURSUANT TO
Section 302 of the Sarbanes-Oxley Act of 2002**

I, John Paul Roehm, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Infrastructure and Energy Alternatives, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 15, 2019

By: /s/ John Paul Roehm

Name: John Paul Roehm

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Andrew Layman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Infrastructure and Energy Alternatives, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

INFRASTRUCTURE AND ENERGY ALTERNATIVES, INC.

Dated: May 15, 2019

By: /s/ Andrew D. Layman

Name: Andrew D. Layman

Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Infrastructure and Energy Alternatives, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2019

By: /s/ John Paul Roehm

Name: John Paul Roehm

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Infrastructure and Energy Alternatives, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2019

By: /s/ Andrew D. Layman

Name: Andrew D. Layman

Title: Chief Financial Officer