

Sunrun Inc.
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April 08, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 - Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 - Definitive Proxy Statement
 - Definitive Additional Materials
 - Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-2
- SUNRUN INC.

(Name of Registrant as Specified In Its Charter)

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SUNRUN INC.

595 Market Street, 29th Floor

San Francisco, California 94105

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 8:00 a.m. Pacific Time on Friday, May 20, 2016

Dear Stockholders of Sunrun Inc.:

We cordially invite you to attend the 2016 annual meeting of stockholders (the “Annual Meeting”) of Sunrun Inc., a Delaware corporation, which will be held on Friday, May 20, 2016 at 8:00 a.m. Pacific Time, in person at 595 Market Street, 29th Floor, San Francisco, California 94105, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect two Class I directors to serve until the 2019 annual meeting of stockholders and until their successors are duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our board of directors has fixed the close of business on March 28, 2016 as the record date for the Annual Meeting. Only stockholders of record on March 28, 2016 are entitled to notice of and to vote at the Annual Meeting. Further information regarding voting rights and the matters to be voted upon is presented in the accompanying proxy statement.

On or about April 8, 2016, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access our proxy statement and our annual report. The Notice provides instructions on how to vote via the Internet or by telephone and includes instructions on how to receive a paper copy of our proxy materials by mail. The accompanying proxy statement and our annual report can be accessed directly at the following Internet address: www.voteproxy.com. All you have to do is enter the control number located on your Notice or proxy card.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting, we urge you to submit your vote via the Internet, telephone or mail.

We appreciate your continued support of Sunrun.

By order of the Board of Directors,

Lynn Jurich
Chief Executive Officer

San Francisco, California
April 8, 2016

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SUNRUN INC.

PROXY STATEMENT

FOR 2016 ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 8:00 a.m. Pacific Time on Friday, May 20, 2016

This proxy statement and the enclosed form of proxy are furnished in connection with the solicitation of proxies by our board of directors for use at the 2016 annual meeting of stockholders of Sunrun Inc., a Delaware corporation, and any postponements, adjournments or continuations thereof (the “Annual Meeting”). The Annual Meeting will be held on Friday, May 20, 2016 at 8:00 a.m. Pacific Time, at 595 Market Street, 29th Floor, San Francisco, CA 94105. The Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access this proxy statement and our annual report is first being mailed on or about April 8, 2016 to all stockholders entitled to vote at the Annual Meeting.

The information provided in the “question and answer” format below is for your convenience only and is merely a summary of the information contained in this proxy statement. You should read this entire proxy statement carefully. Information contained on, or that can be accessed through, our website is not intended to be incorporated by reference into this proxy statement and references to our website address in this proxy statement are inactive textual references only.

What matters am I voting on?

You will be voting on:

- the election of two Class I directors to serve until our 2019 annual meeting of stockholders and until their successors are duly elected and qualified;
- a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016; and
- any other business as may properly come before the Annual Meeting.

How does the board of directors recommend I vote on these proposals?

Our board of directors recommends a vote:

- “FOR” the election of Lynn Jurich and Steven Vassallo as Class I directors; and
- “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016.

Who is entitled to vote?

Holders of our common stock as of the close of business on March 28, 2016, the record date for the Annual Meeting, may vote at the Annual Meeting. As of the record date, there were 101,592,522 shares of our common stock outstanding. In deciding all matters at the Annual Meeting, each stockholder will be entitled to one vote for each share of our common stock held by them on the record date. Stockholders are not permitted to cumulate votes with respect to the election of directors.

Registered Stockholders. If shares of our common stock are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to those shares and the Notice was provided to you directly by us. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on

the proxy card or vote in person at the Annual Meeting. Throughout this proxy statement, we refer to these registered stockholders as “stockholders of record.”

Street Name Stockholders. If shares of our common stock are held on your behalf in a brokerage account or by a bank or other nominee, you are considered to be the beneficial owner of shares that are held in “street name,” and the Notice was forwarded to you by your broker or nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee as to how to vote your shares. Beneficial owners are also invited to attend the Annual Meeting. However, since a beneficial owner is not the stockholder of record, you may not vote your shares of our common stock in person at the Annual Meeting unless you follow your broker’s procedures for obtaining a legal proxy. If you request a printed copy of our proxy materials by mail, your broker, bank or other nominee will provide a voting instruction form for you to use. Throughout this proxy statement, we refer to stockholders who hold their shares through a broker, bank or other nominee as “street name stockholders.”

How many votes are needed for approval of each proposal?

- Proposal No. 1: The election of directors requires a plurality vote of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. “Plurality” means that the nominees who receive the largest number of votes cast “for” are elected as directors. As a result, any shares not voted “for” a particular nominee (whether as a result of stockholder abstention or a broker non-vote) will not be counted in such nominee’s favor and will have no effect on the outcome of the election. You may vote “for” or “withhold” on each of the nominees for election as a director.
- Proposal No. 2: The ratification of the appointment of Ernst & Young LLP requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. Abstentions are considered votes present and entitled to vote on this proposal, and thus, will have the same effect as a vote “against” the proposal. Broker non-votes will have no effect on the outcome of this proposal.

What is the quorum?

A quorum is the minimum number of shares required to be present at the Annual Meeting for the Annual Meeting to be properly held under our amended and restated bylaws and Delaware law. The presence, in person or by proxy, of a majority of all issued and outstanding shares of our common stock entitled to vote at the Annual Meeting will constitute a quorum at the Annual Meeting. Abstentions, withhold votes and broker non-votes are counted as shares present and entitled to vote for purposes of determining a quorum.

How do I vote?

If you are a stockholder of record, there are four ways to vote:

- by Internet at www.voteproxy.com, 24 hours a day, seven days a week, until 11:59 p.m. Eastern Time on May 19, 2016 (have your Notice or proxy card in hand when you visit the website);
- by toll-free telephone at 1-800-776-9437 (have your Notice or proxy card in hand when you call);
- by completing and mailing your proxy card (if you received printed proxy materials); or
- by written ballot at the Annual Meeting.

Even if you plan to attend the Annual Meeting in person, we recommend that you also vote by proxy so that your vote will be counted if you later decide not to attend.

If you are a street name stockholder, you will receive voting instructions from your broker, bank or other nominee. You must follow the voting instructions provided by your broker, bank or other nominee in order to instruct your broker, bank or other nominee on how to vote your shares. Street name stockholders should generally be able to vote by returning an instruction card, or by telephone or on the Internet. However, the availability of telephone and Internet voting will depend on the voting process of your broker, bank or other nominee. As discussed above, if you are a street name stockholder, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker, bank or other nominee.

Can I change my vote?

Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

- entering a new vote by Internet or by telephone;
- completing and mailing a later-dated proxy card;
-

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· notifying the Secretary of Sunrun Inc., in writing, at Sunrun Inc., 595 Market Street, 29th Floor, San Francisco, CA 94105; or

· completing a written ballot at the Annual Meeting.

If you are a street name stockholder, your broker, bank or other nominee can provide you with instructions on how to change your vote.

What do I need to do to attend the Annual Meeting in person?

Space for the Annual Meeting is limited. Therefore, admission will be on a first-come, first-served basis. Registration will open at 7:30 a.m. Pacific Time and the Annual Meeting will begin at 8:00 a.m. Pacific Time. Each stockholder should be prepared to present:

- valid government photo identification, such as a driver's license or passport; and
- if you are a street name stockholder, proof of beneficial ownership as of March 28, 2016, the record date, such as your most recent account statement reflecting your stock ownership prior to March 28, 2016, along with a copy of the voting instruction card provided by your broker, bank, trustee or other nominee or similar evidence of ownership.

Use of cameras, recording devices, computers and other electronic devices, such as smart phones and tablets, will not be permitted at the Annual Meeting. Please allow ample time for check-in and parking.

What is the effect of giving a proxy?

Proxies are solicited by and on behalf of our board of directors. Lynn Jurich, Ed Fenster, Bob Komin and Mina Kim have been designated as proxy holders by our board of directors. When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our board of directors as described above. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote the shares. If the Annual Meeting is adjourned, the proxy holders can vote the shares on the new Annual Meeting date as well, unless you have properly revoked your proxy instructions, as described above.

Why did I receive a Notice of Internet Availability of Proxy Materials instead of a full set of proxy materials?

In accordance with the rules of the Securities and Exchange Commission ("SEC"), we have elected to furnish our proxy materials, including this proxy statement and our annual report, primarily via the Internet. The Notice containing instructions on how to access our proxy materials is first being mailed on or about April 8, 2016 to all stockholders entitled to vote at the Annual Meeting. Stockholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of our proxy materials on the Internet to help reduce the environmental impact of our annual meetings of stockholders.

How are proxies solicited for the Annual Meeting?

Our board of directors is soliciting proxies for use at the Annual Meeting. All expenses associated with this solicitation will be borne by us. We will reimburse brokers or other nominees for reasonable expenses that they incur in sending our proxy materials to you if a broker, bank or other nominee holds shares of our common stock on your behalf. In addition, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Our directors and employees will not be paid any additional compensation for soliciting proxies.

How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?

Brokerage firms and other intermediaries holding shares of our common stock in street name for their customers are generally required to vote such shares in the manner directed by their customers. In the absence of timely directions, your broker will have discretion to vote your shares on our sole "routine" matter: the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. Your broker will not have discretion to

vote on the election of directors, which is a “non-routine” matter, absent direction from you.

Where can I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Current Report on Form 8 K that we will file with the SEC within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Current Report on Form 8 K within four business days after the Annual Meeting, we will file a Current Report on Form 8 K to publish preliminary results and will provide the final results in an amendment to the Current Report on Form 8 K as soon as they become available.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

We have adopted a procedure called “householding,” which the SEC has approved. Under this procedure, we deliver a single copy of the Notice and, if applicable, our proxy materials to multiple stockholders who share the same address unless we have received contrary instructions from one or more of the stockholders. This procedure reduces our printing costs, mailing costs, and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of the Notice and, if applicable, our proxy materials to any stockholder at a shared address to which we delivered a single copy of any of these materials. To receive a separate copy, or, if a stockholder is receiving multiple copies, to request that we only send a single copy of the Notice and, if applicable, our proxy materials, such stockholder may contact us at the following address:

Sunrun Inc.

Attention: Investor Relations

595 Market Street, 29th Floor

San Francisco, CA 94105

Tel: 415-510-4833

Street name stockholders may contact their broker, bank or other nominee to request information about householding.

What is the deadline to propose actions for consideration at next year’s annual meeting of stockholders or to nominate individuals to serve as directors?

Stockholder Proposals

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to our Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2017 annual meeting of stockholders, our Secretary must receive the written proposal at our principal executive offices not later than December 9, 2016. In addition, stockholder proposals must comply with the requirements of Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals should be addressed to:

Sunrun Inc.

Attention: Secretary

595 Market Street, 29th Floor

San Francisco, CA 94105

Our amended and restated bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our amended and restated bylaws provide that the only business that may be conducted at an annual

meeting of stockholders is business that is (i) specified in our proxy materials with respect to such meeting, (ii) otherwise properly brought before such meeting by or at the direction of our board of directors, or (iii) properly brought before such meeting by a stockholder of record entitled to vote at the annual meeting who has delivered timely written notice to our Secretary, which notice must contain the information specified in our amended and restated bylaws. To be timely for our 2017 annual meeting of stockholders, our Secretary must receive the written notice at our principal executive offices:

- not earlier than January 23, 2017; and
- not later than the close of business on February 22, 2017.

In the event that we hold our 2017 annual meeting of stockholders more than 30 days before or more than 60 days after the one-year anniversary of the Annual Meeting, notice of a stockholder proposal that is not intended to be included in our proxy statement must be received no earlier than the close of business on the 120th day before our 2017 annual meeting of stockholders and no later than the close of business on the later of the following two dates:

- the 90th day prior to our 2017 annual meeting of stockholders; or
- the 10th day following the day on which public announcement of the date of our 2017 annual meeting of stockholders is first made.

If a stockholder who has notified us of his, her or its intention to present a proposal at an annual meeting does not appear to present his, her or its proposal at such annual meeting, we are not required to present the proposal for a vote at such annual meeting.

Nomination of Director Candidates

You may propose director candidates for consideration by our nominating and corporate governance committee. Any such recommendations should include the nominee's name and qualifications for membership on our board of directors and should be directed to our Secretary at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see "Board of Directors and Corporate Governance—Stockholder Recommendations for Nominations to the Board of Directors."

In addition, our amended and restated bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must provide the information required by our amended and restated bylaws. In addition, the stockholder must give timely notice to our Secretary in accordance with our amended and restated bylaws, which, in general, require that the notice be received by our Secretary within the time periods described above under "Stockholder Proposals" for stockholder proposals that are not intended to be included in a proxy statement.

Availability of Bylaws

A copy of our amended and restated bylaws is available on our website at www.sunrun.com under "Investors – Corporate Governance." You may also contact our Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business affairs are managed under the direction of our board of directors, which is currently composed of seven members. Five of our directors are independent within the meaning of the listing standards of The NASDAQ Stock Market. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring.

The following table sets forth the names, ages as of April 8, 2016, and certain other information for each of the directors with terms expiring at the Annual Meeting (who are also nominees for election as a director at the Annual Meeting) and for each of the continuing members of our board of directors:

					Expiration of Term Current For Which	
	Class	Age	Position	Since	Expires	Nominated
Directors with Terms Expiring at the Annual Meeting/Nominees						
Lynn Jurich	I	36	Chief Executive	2007	2016	2019
Continuing Directors						
Steven Vassallo (1)(2)	I	44	Officers and Director	2009	2016	2019
Edward Fenster	II	39	Director	2007	2017	—
Richard Wong (2)(3)	II	46	Director	2009	2017	—
Gerald Risk (1)	III	47	Director	2014	2018	—
Jameson McJunkin (1)(3)	III	41	Director	2012	2018	—
Katherine August-deWilde(2)	III	68	Director	2016	2018	—

(1) Member of our audit committee

(2) Member of our compensation committee

(3) Member of our nominating and corporate governance committee

Nominees for Director

Lynn Jurich. Ms. Jurich is one of our co-founders and has served as our Chief Executive Officer since March 2014 and as a member of our board of directors since inception. Ms. Jurich served as our Co-Chief Executive Officer from October 2012 to March 2014, our President from January 2009 to October 2012, and our Executive Vice President of Sales and Marketing from 2007 to January 2009. From July 2002 to July 2005, Ms. Jurich served as an associate at Summit Partners, a private equity firm. Ms. Jurich holds a B.S. in Science, Technology, and Society from Stanford University and an M.B.A. from the Stanford Graduate School of Business.

Ms. Jurich was selected to serve on our board of directors because of the perspective and experience she brings as one of our co-founders and as one of our largest stockholders.

Steven Vassallo. Mr. Vassallo has served as a member of our board of directors since October 2009 and previously served as a member of our board of directors from June 2008 to July 2009. Since October 2007, Mr. Vassallo has served as a General Partner at Foundation Capital, a venture capital firm. Mr. Vassallo currently serves on the boards of directors of Control4 Corporation, a home automation and smart controls company, and a number of privately held companies. Mr. Vassallo holds a B.S. in Mechanical Engineering from Worcester Polytechnic Institute and an M.B.A. from the Stanford Graduate School of Business.

Mr. Vassallo was selected to serve on our board of directors because of his extensive experience as an investor building emerging growth companies.

Continuing Directors

Edward Fenster. Mr. Fenster is one of our co-founders and has served as our Chairman since March 2014 and as a member of our board of directors since inception. Mr. Fenster served as our Chief Executive Officer from June 2008 to October 2012, and our Co-Chief Executive Officer from October 2012 to March 2014. From May 2003 to June 2005, Mr. Fenster served as Director of Corporate Development at Asurion, LLC, a technology device protection and support company. From July 1999 to May 2003, Mr. Fenster worked at The Blackstone Group, a private equity firm. Mr. Fenster holds a B.A. in Economics from Johns Hopkins University and an M.B.A. from the Stanford Graduate School of Business.

Mr. Fenster was selected to serve on our board of directors because of the perspective and experience he brings as one of our co-founders and as one of our largest stockholders.

Richard Wong. Mr. Wong has served as a member of our board of directors since July 2009. Since November 2006, Mr. Wong has served as a General Partner at Accel Partners, a venture capital firm. From 2001 to 2006, Mr. Wong served as Senior Vice President and General Manager of Products at Openwave Systems Inc., a software company. Mr. Wong currently serves on the boards of directors of Atlassian Corporation Plc, a software development tool company and a number of privately held companies. Mr. Wong holds a B.S. in Materials Science and Engineering and an M.S. in Management from the Massachusetts Institute of Technology.

Mr. Wong was selected to serve on our board of directors because of his extensive experience as an investor building emerging growth companies.

Gerald Risk. Mr. Risk has served as a member of our board of directors since February 2014. Since March 2013, Mr. Risk has served as Vice Chairman at Asurion, LLC, a company that provides device detection and support services, and previously served as its President from May 2009 to March 2013 and its Chief Financial Officer from February 1999 to May 2009. Mr. Risk currently serves on the boards of directors of a number of privately held companies. Mr. Risk holds a Bachelor of Commerce from Queen's University and an M.B.A. from the Stanford Graduate School of Business.

Mr. Risk was selected to serve on our board of directors because of his extensive executive experience and his experience as an operator and investor building emerging growth businesses.

Jameson McJunkin. Mr. McJunkin has served as a member of our board of directors since May 2012. Since April 2005, Mr. McJunkin has served as Founder and General Partner at Madrone Capital Partners, a private investment firm. From August 2000 to March 2005, Mr. McJunkin served as a growth capital investor at TA Associates, Inc., a private equity firm. Mr. McJunkin currently serves on the boards of directors of Enphase Energy, Inc., a microinverter technology company, and a number of privately held companies. Mr. McJunkin holds an A.B. in Public Policy from Princeton University and an M.B.A. from the Stanford Graduate School of Business.

Mr. McJunkin was selected to serve on our board of directors because of his extensive experience as an investor building emerging growth companies, paired with his extensive knowledge of the solar industry.

Katherine August-deWilde. Ms. August-deWilde has served as a member of our board of directors since January 2016. Ms. August-deWilde is currently the Vice Chair of First Republic Bank, a position she has held since the beginning of 2016. Ms. August-deWilde has served as an executive at First Republic Bank since 1988. She served as COO from 1996-2014 and President from 2007-2015. Previously, Ms. August-deWilde was Senior Vice President and Chief Financial Officer at PMI Group. Ms. August-deWilde currently serves on the board of directors of First Republic Bank and TriNet Group Inc., a human resource software solutions company for businesses, as well as a number of privately held companies. She holds a B.A. degree from Goucher College and an M.B.A. from Stanford Graduate School of Business.

Ms. August-deWilde was selected to serve on our board of directors because of her extensive experience in the consumer facing financial industry.

Director Independence

Our common stock is listed on The NASDAQ Global Select Market. Under the listing standards of The NASDAQ Stock Market, independent directors must comprise a majority of a listed company's board of directors. In addition,

the listing standards of The NASDAQ Stock Market require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the listing standards of The NASDAQ Stock Market, a director will only qualify as an "independent director" if, in the opinion of that listed company's board of directors, that director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the listing standards of The NASDAQ Stock Market. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act and the listing standards of The NASDAQ Stock Market.

Our board of directors has undertaken a review of the independence of each of our directors. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that Steven Vassallo, Richard Wong, Gerald Risk, Jameson McJunkin, and Katherine August-deWilde do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the listing standards of The NASDAQ Stock Market. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled “Related Person Transactions.”

Board Leadership Structure and Lead Independent Director

Our Corporate Governance Guidelines require that if we do not have an independent chairperson that we will appoint a lead independent director. Mr. Fenster currently serves as an executive and chairman of our board of directors. Our board of directors believes that it can benefit from Mr. Fenster’s years of experience as a founder and executive of the Company. Mr. Fenster possesses detailed in-depth knowledge of the issues, opportunities, and challenges facing us.

Mr. Vassallo currently serves as the Lead Independent Director of our board of directors. Our board of directors believes that the current board leadership structure, with a strong emphasis on board independence, allows our management team to focus on our day-to-day business while allowing the Lead Independent Director to lead our board of directors in its fundamental role of providing independent advice to and oversight of management. In addition, as described below, our board has three standing committees, each member of which is an independent director. Our board delegates substantial responsibility to each committee of the board, which reports their activities and actions back to the full board. We believe that the independent committees of our board are an important aspect of the leadership structure of our board.

Board Meetings and Committees

During our fiscal year ended December 31, 2015, our board of directors held six meetings (including regularly scheduled and special meetings), and each director attended at least 75% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he or she has been a director and (ii) the total number of meetings held by all committees of our board of directors on which he or she served during the periods that he or she served.

Although we do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we strongly encourage our directors to attend.

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of Messrs. McJunkin, Vassallo and Risk, with Mr. Risk serving as the chair. Each member of our audit committee meets the requirements for independence and financial literacy for audit committee members under the listing standards of The NASDAQ Stock Market and SEC rules and regulations. In addition, our board of directors has determined that Mr. Risk is an audit committee financial expert within the meaning of

Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended. Our audit committee is responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions; and

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- approving or, as required, pre-approving, all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of The NASDAQ Stock Market. A copy of the charter of our audit committee is available on our website at www.sunrun.com under “Investors – Corporate Governance”. During our fiscal year ended December 31, 2015, our audit committee held five meetings.

Compensation Committee

Our compensation committee consists of Ms. August-deWilde, Messrs. Vassallo and Wong, with Mr. Wong serving as the chair. Each member of our compensation committee meets the requirements for independence for compensation committee members under the listing standards of The NASDAQ Stock Market and SEC rules and regulations, including Rule 10C-1 under the Exchange Act. Each member of our compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code. Our compensation committee is responsible for, among other things:

- reviewing, approving and determining, or making recommendations to our board of directors regarding, the compensation of our executive officers;
 - administering our equity compensation plans;
- reviewing, approving and making recommendations to our board of directors regarding incentive compensation and equity compensation plans; and
- establishing and reviewing general policies relating to compensation and benefits of our employees.

Our compensation committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of The NASDAQ Stock Market. A copy of the charter of our compensation committee is available on our website at www.sunrun.com under “Investors – Corporate Governance”. During our fiscal year ended December 31, 2015, our compensation committee held three meetings.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Wong and McJunkin, with Mr. McJunkin serving as the chair. Each member of our nominating and corporate governance committee meets the requirements for independence under the listing standards of The NASDAQ Stock Market and SEC rules and regulations. Our nominating and corporate governance committee is responsible for, among other things:

- identifying, evaluating and selecting, or making recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluating the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting; and
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters.

Our nominating and corporate governance committee operates under a written charter that satisfies the applicable listing standards of The NASDAQ Stock Market. A copy of the charter of our nominating and corporate governance committee is available on our website at www.sunrun.com under “Investors – Corporate Governance”. During our fiscal year ended December 31, 2015, our nominating and corporate governance committee held one meeting.

Compensation Committee Interlocks and Insider Participation

During the last fiscal year, Messrs. Vassallo and Wong served as members of our compensation committee. None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board

committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our board of directors or compensation committee.

Considerations in Evaluating Director Nominees

Our nominating and corporate governance committee uses a variety of methods for identifying and evaluating director nominees. In its evaluation of director candidates, our nominating and corporate governance committee will consider the current size and composition of our board of directors and the needs of our board of directors and the respective committees of our board of directors. Some of the qualifications that our nominating and corporate governance committee considers include, without limitation, issues of character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest and other commitments. Nominees must also have the ability to offer advice and guidance to our Chief Executive Officer based on past experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are affiliated. Director candidates must have sufficient time available in the judgment of our nominating and corporate governance committee to perform all board of director and committee responsibilities. Members of our board of directors are expected to prepare for, attend, and participate in all board of director and applicable committee meetings. Other than the foregoing, there are no stated minimum criteria for director nominees, although our nominating and corporate governance committee may also consider such other factors as it may deem, from time to time, are in our and our stockholders' best interests.

Although our board of directors does not maintain a specific policy with respect to board diversity, our board of directors believes that our board of directors should be a diverse body, and our nominating and corporate governance committee considers a broad range of backgrounds and experiences. In making determinations regarding nominations of directors, our nominating and corporate governance committee may take into account the benefits of diverse viewpoints. Our nominating and corporate governance committee also considers these and other factors as it oversees the annual board of director and committee evaluations. After completing its review and evaluation of director candidates, our nominating and corporate governance committee recommends to our full board of directors the director nominees for selection.

Stockholder Recommendations for Nominations to the Board of Directors

Our nominating and corporate governance committee will consider candidates for director recommended by stockholders holding at least one percent (1%) of the fully diluted capitalization of our company continuously for at least twelve (12) months prior to the date of the submission of the recommendation, so long as such recommendations comply with our amended and restated certificate of incorporation and amended and restated bylaws and applicable laws, rules and regulations, including those promulgated by the SEC. Our nominating and corporate governance committee will evaluate such recommendations in accordance with its charter, our amended and restated bylaws, our policies and procedures for director candidates, as well as the regular director nominee criteria described above. This process is designed to ensure that our board of directors includes members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to our business. Eligible stockholders wishing to recommend a candidate for nomination should contact our General Counsel or our Legal Department in writing. Such recommendations must include information about the candidate, a statement of support by the recommending stockholder, evidence of the recommending stockholder's ownership of our common stock and a signed letter from the candidate confirming willingness to serve on our board of directors. Our nominating and corporate governance committee has discretion to decide which individuals to recommend for nomination as directors.

Under our bylaws, stockholders may also nominate persons for our board of directors. Any nomination must comply with the requirements set forth in our bylaws and should be sent in writing to our General Counsel at Sunrun Inc., 595 Market Street, 29th Floor, San Francisco, CA 94105. To be timely for our 2017 annual meeting of stockholders, our

General Counsel must receive the nomination no earlier than January 23, 2017 and no later than February 22, 2017.

Communications with the Board of Directors

Interested parties wishing to communicate with our board of directors or with an individual member or members of our board of directors may do so by writing to our board of directors or to the particular member or members of our board of directors, and mailing the correspondence to our General Counsel at Sunrun Inc., 595 Market Street, 29th Floor, San Francisco, CA 94105. Our General Counsel, in consultation with appropriate members of our board of directors as necessary, will review all incoming communications and, if appropriate, all such communications will be forwarded to the appropriate member or members of our board of directors, or if none is specified, to the Chairman of our board of directors.

Corporate Governance Guidelines and Code of Business Conduct and Ethics

Our board of directors has adopted Corporate Governance Guidelines that address items such as the qualifications and responsibilities of our directors and director candidates and corporate governance policies and standards applicable to us in general. In addition, our board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our Corporate Governance Guidelines and our Code of Business Conduct and Ethics is posted on the Corporate Governance portion of our website at www.sunrun.com under “Investors – Corporate Governance”. We will post amendments to our Code of Business Conduct and Ethics or waivers of our Code of Business Conduct and Ethics for directors and executive officers on the same website.

Risk Management

Risk is inherent with every business, and we face a number of risks, including strategic, financial, business and operational, political, regulatory, legal and compliance, and reputational. We have designed and implemented processes to manage risk in our operations. Management is responsible for the day-to-day management of risks the company faces, while our board of directors, as a whole and assisted by its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our board of directors believes that open communication between management and our board of directors is essential for effective risk management and oversight. Our board of directors meets with our Chief Executive Officer and other members of the senior management team at quarterly meetings of our board of directors, where, among other topics, they discuss strategy and risks facing the company, as well at such other times as they deemed appropriate.

While our board of directors is ultimately responsible for risk oversight, our board committees assist our board of directors in fulfilling its oversight responsibilities in certain areas of risk. Our audit committee assists our board of directors in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, legal and regulatory compliance, and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. Our audit committee also reviews our major financial risk exposures and the steps management has taken to monitor and control these exposures. Our audit committee also monitors certain key risks on a regular basis throughout the fiscal year, such as risk associated with internal control over financial reporting and liquidity risk. Our nominating and corporate governance committee assists our board of directors in fulfilling its oversight responsibilities with respect to the management of risk associated with board organization, membership and structure, and corporate governance. Our compensation committee assesses risks created by the incentives inherent in our compensation policies. Finally, our full board of directors reviews strategic and operational risk in the context of reports from the management team, receives reports on all significant committee activities, and evaluates the risks inherent in significant transactions.

Director Compensation

In January 2016, we implemented a non-employee director pay policy pursuant to which our unaffiliated, non-employee directors are eligible to receive equity awards and annual cash compensation for service on our board of directors and committees of our board of directors.

Cash Compensation

At present, unaffiliated, non-employee directors are entitled to receive the following cash compensation for their services:

- \$50,000 per year for service as a Board member;
- \$15,000 per year for service as chair of the Audit Committee;
- \$10,000 per year for service as chair of the Compensation Committee; and
- \$5,000 per year for service as chair of the Nominating and Corporate Governance Committee.

All cash payments to non-employee directors are paid quarterly.

Equity Compensation

Each unaffiliated, non-employee director who joins our Board of Directors will be granted, at the time of election or appointment, a restricted stock unit award having a pro-rated award value of \$100,000, as determined on the date of grant. The award will vest 100% on January 1st the year following the date of grant, subject to the continued service of the board member. In addition, each then-serving unaffiliated, non-employee director will be granted an annual restricted stock unit award having an award value of \$100,000, as determined on the date of grant. The annual award will vest 100% on January 1st the year following the date of grant, subject to the continued service of the board member.

Director Compensation for Fiscal Year 2015

None of our non-employee directors received any compensation during our fiscal year ended December 31, 2015.

Our directors who are also our employees receive no additional compensation for their service as directors. During our fiscal year ended December 31, 2015, Lynn Jurich and Edward Fenster were our employees. See the section titled “Executive Compensation” for additional information about the compensation paid to Ms. Jurich.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our board of directors is currently composed of seven members. In accordance with our amended and restated certificate of incorporation, our board of directors is divided into three staggered classes of directors. At the Annual Meeting, two Class I directors will be elected for a three-year term to succeed the same class whose term is then expiring.

Each director's term continues until the election and qualification of his or her successor, or such director's earlier death, resignation, or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Nominees

Our nominating and corporate governance committee has recommended, and our board of directors has approved, Lynn Jurich and Steven Vassallo as nominees for election as Class I directors at the Annual Meeting. If elected, each of Ms. Jurich and Mr. Vassallo will serve as Class I directors until our 2019 annual meeting of stockholders and until their successors are duly elected and qualified. Each of the nominees is currently a director of our company. For information concerning the nominees, please see the section titled "Board of Directors and Corporate Governance."

If you are a stockholder of record and you sign your proxy card or vote by telephone or over the Internet but do not give instructions with respect to the voting of directors, your shares will be voted "FOR" the election of Ms. Jurich and Mr. Vassallo. We expect that each of Ms. Jurich and Mr. Vassallo will accept such nomination; however, in the event that a director nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee designated by our board of directors to fill such vacancy. If you are a street name stockholder and you do not give voting instructions to your broker or nominee, your broker will leave your shares unvoted on this matter.

Vote Required

The election of directors requires a plurality vote of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. Broker non-votes and abstentions will have no effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"

EACH OF THE NOMINEES NAMED ABOVE.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our audit committee has appointed Ernst & Young LLP (“E&Y”), independent registered public accountants, to audit our consolidated financial statements for our fiscal year ending December 31, 2016. During our fiscal year ended December 31, 2015, E&Y served as our independent registered public accounting firm.

Notwithstanding the appointment of E&Y and even if our stockholders ratify the appointment, our audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during our fiscal year if our audit committee believes that such a change would be in the best interests of our company and our stockholders. At the Annual Meeting, our stockholders are being asked to ratify the appointment of E&Y as our independent registered public accounting firm for our fiscal year ending December 31, 2016. Our audit committee is submitting the appointment of E&Y to our stockholders because we value our stockholders’ views on our independent registered public accounting firm and as a matter of good corporate governance. Representatives of E&Y will be present at the Annual Meeting, and they will have an opportunity to make a statement and will be available to respond to appropriate questions from our stockholders.

If our stockholders do not ratify the appointment of E&Y, our board of directors may reconsider the appointment.

Fees Paid to the Independent Registered Public Accounting Firm

The following table presents fees for professional audit services and other services rendered to our company by E&Y for our fiscal years ended December 31, 2014 and 2015.

	2015	2014
Audit Fees (1)	\$8,838,368	\$3,952,183
Audit-Related Fees (2)	90,000	394,212
Tax Fees (3)	28,910	74,967
All Other Fees (4)	1,995	1,995
Total Fees	\$8,959,273	\$4,423,357

(1) Audit fees for 2015 consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, including estimated fees for audits of Investment Funds to be performed, review of our quarterly consolidated financial statements and our IPO. Audit fees for 2014 consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, including fees for audits of Investment Funds.

(2) Audit-related fees for 2015 consist of agreed upon procedures related to a 2015 debt transaction. Audit-related fees for 2014 consist of due diligence procedures related to the acquisition of MEC.

(3) Tax fees principally include fees for tax compliance.

(4) All other fees consist of fees for accessing E&Y’s online research database.

Auditor Independence

In our fiscal year ended December 31, 2015, there were no other professional services provided by E&Y that would have required our audit committee to consider their compatibility with maintaining the independence of E&Y.

Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Our audit committee has established a policy governing our use of the services of our independent registered public accounting firm. Under this policy, our audit committee is required to pre-approve all audit and non-audit services performed by our independent registered public accounting firm in order to ensure that the provision of such services does not impair the public accountants' independence. All fees paid to E&Y for our fiscal years ended December 31, 2014 and 2015 were pre-approved by our audit committee.

Vote Required

The ratification of the appointment of E&Y as our independent registered public accounting firm requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions will have the effect of a vote AGAINST the proposal and broker non-votes will have no effect.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR”

THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP.

REPORT OF THE AUDIT COMMITTEE

The audit committee is a committee of the board of directors comprised solely of independent directors as required by the listing standards of The NASDAQ Stock Market and rules and regulations of the SEC. The audit committee operates under a written charter approved by the board of directors, which is available on the company's website at www.sunrun.com under "Investors – Corporate Governance". The composition of the audit committee, the attributes of its members and the responsibilities of the audit committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The audit committee reviews and assesses the adequacy of its charter and the audit committee's performance on an annual basis.

With respect to the company's financial reporting process, the management of the company is responsible for (1) establishing and maintaining internal controls and (2) preparing the company's consolidated financial statements. The company's independent registered public accounting firm, Ernst & Young LLP ("E&Y"), is responsible for auditing these financial statements. It is the responsibility of the audit committee to oversee these activities. It is not the responsibility of the audit committee to prepare the company's financial statements. These are the fundamental responsibilities of management. In the performance of its oversight function, the audit committee has:

- reviewed and discussed the audited financial statements with management and E&Y;
- discussed with E&Y the matters required to be discussed by the statement on Auditing Standards No. 16, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), and as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and
- received the written disclosures and the letter from E&Y required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with E&Y its independence.

Based on the audit committee's review and discussions with management and E&Y, the audit committee recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10 K for the fiscal year ended December 31, 2015 for filing with the Securities and Exchange Commission.

Respectfully submitted by the members of the audit committee of the board of directors:

Gerald Risk (Chair)

Steven Vassallo

Jameson McJunkin

This report of the audit committee is required by the Securities and Exchange Commission ("SEC") and, in accordance with the SEC's rules, will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended ("Securities Act"), or under the Securities Exchange Act of 1934, as amended ("Exchange Act"), except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

EXECUTIVE OFFICERS

The following table identifies certain information about our executive officers as of April 8, 2016. Our executive officers are appointed by, and serve at the discretion of, our board of directors. There are no family relationships among any of our directors or executive officers.

Name	Age	Position
Lynn Jurich	36	Chief Executive Officer and Director
Edward Fenster	39	Chairman
Bob Komin	53	Chief Financial Officer
Paul Winnowski	44	Chief Operating Officer
Mina Kim	42	General Counsel

Lynn Jurich. Ms. Jurich is one of our co-founders and has served as our Chief Executive Officer since March 2014 and as a member of our board of directors since inception. Ms. Jurich served as our Co-Chief Executive Officer from October 2012 to March 2014, our President from January 2009 to October 2012, and our Executive Vice President of Sales and Marketing from 2007 to January 2009. From July 2002 to July 2005, Ms. Jurich served as an associate at Summit Partners, a private equity firm. Ms. Jurich holds a B.S. in Science, Technology, and Society from Stanford University and an M.B.A. from the Stanford Graduate School of Business.

Edward Fenster. Mr. Fenster is one of our co-founders and has served as our Chairman since March 2014 and as a member of our board of directors since inception. Mr. Fenster served as our Chief Executive Officer from June 2008 to October 2012, and our Co-Chief Executive Officer from October 2012 to March 2014. From May 2003 to June 2005, Mr. Fenster served as Director of Corporate Development at Asurion, LLC, a technology device protection and support company. From July 1999 to May 2003, Mr. Fenster worked at The Blackstone Group, a private equity firm. Mr. Fenster holds a B.A. in Economics from Johns Hopkins University and an M.B.A. from the Stanford Graduate School of Business.

Bob Komin. Mr. Komin has served as our Chief Financial Officer since March 2015. From September 2013 to January 2015, Mr. Komin served as Chief Financial Officer at Flurry, Inc., a mobile analytics and advertising company. From August 2012 to August 2013, Mr. Komin served as Chief Financial Officer at Ticketfly, Inc., a ticket-distribution service provider. From January 2010 to July 2012, Mr. Komin served in various roles at Linden Research, Inc., a developer of digital entertainment, including as Chief Financial Officer. Previously, Mr. Komin also served as Chief Financial Officer at Solixel, Inc., a thin-silicon solar company, Tellme Networks, Inc., a telephone-based applications company, and XOR, Inc., a business application solution provider. Mr. Komin holds a B.S. in Accounting and General Science from the University of Oregon and an M.B.A. from the Harvard Business School.

Paul Winnowski. Mr. Winnowski joined us in connection with our acquisition of Mainstream Energy Corporation, a solar energy company, in February 2014 and has served as our Chief Operating Officer since February 2014. From December 2012 to January 2014, Mr. Winnowski served as Chief Executive Officer at Mainstream Energy Corporation. From March 2008 to March 2012, Mr. Winnowski served as President, Fire and Security, Europe and South Africa at United Technologies Corporation, a provider of security and fire detection solutions. Mr. Winnowski holds a B.A. in Business Economics from the University of San Diego and an M.B.A. from Vanderbilt University.

Mina Kim. Ms. Kim has served as our General Counsel since March 2014. From September 2007 to March 2014, Ms. Kim served as Vice President, Legal of BBAM LLC and General Counsel of Fly Leasing Limited, an aircraft leasing company. Previously, Ms. Kim served as Assistant General Counsel of Williams-Sonoma, Inc., a specialty retailer. Ms. Kim holds a B.A. in History from Dartmouth College and a J.D. from Harvard Law School.

EXECUTIVE COMPENSATION

Processes and Procedures for Compensation Decisions

Our Compensation Committee is responsible for the executive compensation programs for our executive officers and reports to our Board of Directors on its discussions, decisions and other actions. Typically, our Chief Executive Officer makes recommendations to our Compensation Committee, often attends committee meetings and is involved in the determination of compensation for the respective executive officers that report to her, except that our Chief Executive Officer does not make recommendations as to her own compensation or that of our Chairman. The Compensation Committee is authorized to retain the services of one or more executive compensation advisors, as it sees fit, in connection with the establishment of our compensation programs and related policies. In 2015, the Compensation Committee retained Semler Brossy, an independent compensation consultant, to provide it with information, recommendations and other advice relating to executive compensation on an ongoing basis. During the year, Semler Brossy did not provide any services unrelated to executive compensation.

Fiscal 2015 Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was earned by our Chief Executive Officer, our two other most highly compensated executive officers who were serving as executive officers as of December 31, 2015 and one additional individual who otherwise would have been one of the two most highly compensated executive officers other than the CEO had he been serving as an executive officer as of December 31, 2015. The individuals listed in the table below are our named executive officers for our fiscal year ended December 31, 2015.

Name	Year	Salary (\$)	Bonus (\$)	Option Awards		Stock Awards		Non-Equity Incentive Plan Compensation		Total Compensation (\$)
				(1) (\$)	(2) (\$)	(3) (\$)	(4) (\$)			
Lynn Jurich, CEO	2015	395,753	100,000	—	—	350,087	—	—	845,840	
	2014	329,070	—	1,635,145	—	189,000	25,000	—	2,178,215	
Tom Holland, President (5)	2015	311,644	—	658,144	(6) 520,825	(7) —	368,204	—	1,858,817	
	2014	326,458	—	—	—	146,250	—	—	472,708	
Bob Komin, Chief Financial Officer (8)	2015	244,110	—	2,435,625	1,033,000	140,080	—	—	3,852,815	
	2014	—	—	—	—	—	—	—	—	
Paul Winnowski, Chief Operating Officer (9)	2015	310,000	—	—	142,500	(10) 158,537	—	—	611,037	

2014	285,558	—	399,274	—	139,500	60,000	884,332
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- (1) The amounts reported in the Options Awards column represent the grant date fair value of the stock options granted to the named executive officers during 2014 and 2015 as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation Stock Compensation or ASC 718. The assumptions used in calculating the grant date fair value of the stock options reported in the Option Awards column are set forth in our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2015. Note that amounts reported in this column reflect the accounting cost for these option awards, and do not correspond to the actual economic value that may be received by the named executive officers from the stock options.
- (2) The amounts reported in the Stock Awards column represent the grant date fair value of the stock awards granted to the named executive officers during 2014 and 2015 as computed in accordance with ASC 718. Note that the amounts reported in the column reflect the accounting cost for these stock awards, and do not correspond to the actual economic value that may be received by the named executive officers from the stock awards.
- (3) The amounts in the Non-Equity Incentive Plan Compensation column for 2014 represents the amounts earned and payable under the 2014 bonus plan, all of which were paid in 2015. The amounts reported for 2015 represent the amounts earned and payable under the 2015 bonus plan, all of which were paid in 2016. Our Board of Directors formally adopted an Annual Incentive Plan (AIP) for our executives in December 2014. For the 2015 bonus plan, payments were awarded based on achievement against the key company metrics for 2015. Under our AIP, our Board retains discretionary authority to modify final bonus payouts for any one executive up or down based on the Board's assessment of that executive's overall individual performance.

- (4) The amounts disclosed represent: for Ms. Jurich, a charitable donation reimbursement; for Mr. Holland includes the cash severance of \$349,486, reimbursement for health insurance premiums totaling \$10,218, reimbursement of legal expenses of \$6,000 and a penalty of \$2,500 for a late payment; and for Mr. Winnowski in 2014, \$36,000 related to relocation expense reimbursement and \$24,000 related to a monthly stipend for residential housing in San Francisco.
- (5) Mr. Holland's employment as President of the Company ceased on December 16, 2015. He was eligible for certain cash severance and other benefits upon his separation from the company as described in the company's Form 8-K filing on December 8, 2015.
- (6) The amount shown reflects the incremental fair value of an option granted to Mr. Holland in 2013 as of the modification date in accordance with ASC 718. In connection with Mr. Holland's departure in December 2015, the vesting of a portion of the shares subject to this option was accelerated.
- (7) The amount shown reflects the grant date fair value of \$297,100 inclusive of any performance based RSU grant based on its probability of achievement as of the grant date plus the incremental fair value of the Stock Awards as of the modification date, which was \$223,725. The performance based RSU grant reflects a grant date fair value of \$188,100 in accordance with ASC 718. If the highest level of performance conditions were achieved, the grant date fair value would be \$285,000. In connection with Mr. Holland's departure in December 2015, the vesting of a portion of the performance based RSUs and RSUs was accelerated. All calculations of grant date fair value and modification date fair value were done in accordance with ASC 718.
- (8) Mr. Komin was hired as our Chief Financial Officer in March 2015.
- (9) Mr. Winnowski began serving as our Chief Operating Officer in February 2014.
- (10) The amount shown represents a performance based RSU grant based on its probability of achievement as of the grant date. If the highest level of performance conditions were achieved, the grant date fair value would be \$285,000.

Welfare and Other Employee Benefits

We provide other benefits to our executive officers on the same basis as all of our full-time employees in the country where they reside. These benefits include health, dental and vision benefits, health and dependent care flexible spending accounts, commuter benefits, short-term and long-term disability insurance, accidental death and dismemberment insurance and basic life insurance coverage. See below for a description of our 401(k) plan.

Perquisites and Other Personal Benefits

We do not provide perquisites to our named executive officers, except in limited situations.

Pension Benefits

We did not sponsor any defined pension or other actuarial plan for our executive officers during the 2015 fiscal year.

401(k) Plan

We maintain two tax-qualified retirement plans (each a 401(k) "plan"). Each 401(k) plan provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. Each eligible employee is able to participate in the relevant 401(k) plan as his or her date of hire. Under each 401(k) plan, participants are able to defer up to 90% of their eligible compensation subject to applicable annual Code limits. Under each 401(k) plan, all participants' interests in their deferrals are 100% vested when contributed. Each 401(k) plan permits us to make matching contributions and profit sharing contributions to eligible participants, although we have declined to make any such contributions to date. We intend for both of our 401(k) plans to qualify under Section 401(a) and 501(a) of the Code so that contributions by employees to our 401(k) plans, and income earned on those contributions, are not taxable to employees until withdrawn from our 401(k) plans.

Executive Employment Agreements

Lynn Jurich

We have entered into a confirmatory employment letter with Lynn Jurich, our Chief Executive Officer. The confirmatory employment letter, dated May 12, 2015, has no specific term and provides for at-will employment. At December 31, 2015, Ms. Jurich's annual base salary was \$400,000, and she was eligible for annual target incentive payments equal to 80% of her base salary. Currently, her annual base salary is \$500,000 and she is eligible for an annual target incentive payment equal to 100% of her base salary.

Tom Holland

In May, 2015, we entered into a confirmatory employment letter with Tom Holland as our President. The confirmatory employment letter had no specific term and provided for at-will employment. His annual base salary under the confirmatory employment letter was \$325,000, and he was eligible for annual target incentive payments equal to 60% of his base salary. In December, 2015, we entered into a Transition, Separation and General Release Agreement with Mr. Holland in connection with his separation from the company. We filed the Transition, Separation and General Release Agreement with a Current Report on Form 8-K on December 8, 2015. Among other terms therein, under the Transition, Separation and General Release Agreement, we paid Mr. Holland \$349,486 which represented 50% of his annual base salary plus a pro-rata share of his target bonus for the calendar year 2015. We also agreed to reimburse Mr. Holland for up to six months of COBRA payments and accelerate the vesting of certain of his equity awards.

Bob Komin

Bob Komin became our Chief Financial Officer in March 2015. We have entered into a confirmatory employment letter with him dated May 12, 2015. The confirmatory employment letter has no specific term and provides for at-will employment. At December 31, 2015, Mr. Komin's annual base salary was \$300,000, and he was eligible for annual target incentive payments equal to 50% of his base salary. Currently, his annual base salary is \$350,000 and he is eligible for an annual target incentive payment equal to 65% of his base salary.

Paul Winnowski

We have entered into a confirmatory employment letter with Paul Winnowski, our Chief Operating Officer. The confirmatory employment letter, dated May 12, 2015, has no specific term and provides for at-will employment. At December 31, 2015, Mr. Winnowski's annual base salary was \$310,000, and he was eligible for annual target incentive payments equal to 50% of his base salary. Currently, his annual base salary is \$350,000 and he is eligible for an annual target incentive payment equal to 70% of his base salary.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding equity awards held by our named executive officers at December 31, 2015.

Name	Option Awards				Stock Awards		
	Grant Date	Number of Securities	Number of Securities	Option exercise price (\$)	Option Expiration Date	Number of shares or units of stock that have not	Market value of shares of stock units of stock that have not
		Underlying Unexercised Options Exercisable	Underlying Unexercised Options Unexercisable				

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						vested	vested (7) (\$)
Lynn Jurich	6/16/2011(1)	495,010	—	\$ 1.95	6/15/2021	—	—
	4/12/2013(2)	259,239	44,261	\$ 3.19	4/11/2023	—	—
	4/11/2014(3)	166,666	233,334	\$ 5.88	4/10/2024	—	—
Tom Holland	9/4/2013(4)	442,188	—	\$ 3.19	9/3/2023		
Bob Komin	4/10/2015(6)	—	—	—	4/9/2025	100,000	\$1,177,000
	4/10/2015(5)	517,285	32,715	\$ 9.17	4/9/2025	—	—
Paul Winnowski	2/1/2014(8)	381,312	38,301	\$ 3.87	10/7/2020	—	—
	3/17/2014(9)	50,416	59,584	\$ 5.88	3/16/2024	—	—
	9/17/2015(10)					6,250	\$73,563

(1) The stock option is fully vested and immediately exercisable.

(2) Twenty-five percent of the shares subject to the option vested on July 5, 2013 and one forty-eighth of the shares subject to the option vest monthly thereafter, subject to continued service to us and subject to acceleration of vesting as described in the Potential Payments upon Termination or Change of Control section of this proxy statement.

(3) Twenty-five percent of the shares subject to the option vested on April 11, 2015 and one forty-eighth of the shares subject to the option vest monthly thereafter, subject to continued service to us and subject to acceleration of vesting as described in the Potential Payments upon Termination or Change of Control section of this proxy statement.

- (4) Twenty-five percent of the shares subject to the option vested on August 15, 2014 and one twenty-fourth of the remaining, unvested shares subject to the option vested monthly thereafter until Mr. Hollands's departure from the company in December, 2015 at which time the award was subject to modification as described in the Company's Form 8-K filed on December 8, 2015. Additionally, the Board of Directors approved an "early exercise" feature for Mr. Holland's option award. The amount shown reflects the number of shares subject to the option that are exercisable that were unexercised as of December 31, 2015. Mr. Holland's employment ceased on December 16, 2015.
- (5) Twenty-five percent of the shares subject to the option vested on March 9, 2016 and one forty-eighth of the shares subject to the option vest monthly thereafter, subject to continued service to us and subject to acceleration of vesting as described in the Potential Payments upon Termination or Change of Control section of this proxy statement. Additionally, the Compensation Committee of the Board of Directors approved an "early exercise" feature with respect to 517,285 shares that may be exercised prior to vesting, subject to the Company's right to repurchase the shares (at the exercise price) if Mr. Komin terminates employment prior to the vesting date(s). No shares subject to the option have vested as of December 31, 2015.
- (6) The restricted stock units ("RSUs") vest over four years, with twenty-five percent of the RSUs vesting on March 9, 2016 and the remaining units vesting in equal monthly installments until fully vested subject to continued service to us and subject to acceleration of vesting as described in the Potential Payments upon Termination or Change of Control section of this proxy statement.
- (7) The amount reflected is calculated using the fair value (calculated as the closing market price) as of December 31, 2015.
- (8) Twenty-five percent of the shares subject to the option vested on February 1, 2014, twenty-five percent of the shares subject to the option vested on February 1, 2015, and the remainder vest in twelve equal monthly installments thereafter, subject to continued service to us and subject to acceleration of vesting as described in the Potential Payments upon Termination or Change of Control section of this proxy statement.
- (9) Twenty-five percent of the shares subject to the option vested on February 1, 2015 and one forty-eighth of the shares subject to the option vest monthly thereafter, subject to continued service to us and subject to acceleration of vesting as described in the Potential Payments upon Termination or Change of Control section of this proxy statement.
- (10) The RSUs will vest on July 1, 2016. The amount reflected is calculated using the fair value (calculated as the closing market price) as of December 31, 2015.

Potential Payments upon Termination or Change of Control

We adopted a change in control and severance plan applicable to our executive officers and certain other key employees. Under the plan, for the period from 3 months prior to until 12 months following a change in control ("change in control period") if any plan participant is terminated for any reason other than cause, death or disability or a plan participant voluntarily resigns for good reason, the plan participant would be entitled to receive severance benefits. Lynn Jurich, Bob Komin and Paul Winnowski are plan participants and Tom Holland was a plan participant prior to his departure from the company. Upon the occurrence of such an event, Ms. Jurich is entitled to receive the following severance benefits: (i) a lump sum cash amount equal to 18 months of her then current annual base salary, (ii) a lump sum cash amount equal to 150% of her target bonus amount for the fiscal year of termination, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of 18 months following termination, and (iv) all unvested equity awards held by Ms. Jurich immediately prior to such termination will become vested and exercisable in full. Upon the occurrence of the same such event, Messrs. Komin and Winnowski are entitled to receive the following severance benefits: (i) a lump sum cash amount equal to 12 months of the their then current annual base salary, (ii) a lump sum cash amount equal to 100% of their target bonus amount for the fiscal year of termination, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of 12 months following termination, and (iv) all unvested equity awards held by the plan participant immediately prior to such termination will become vested and exercisable in full.

Further, under the policy, if, outside the change in control period, any plan participant is terminated for any reason other than cause, death or disability or, in the case of certain plan participants (including our named executive officers), a plan participant voluntarily resigns for good reason, the plan participant would be entitled to receive severance benefits. Upon the occurrence of such an event, Ms. Jurich is entitled to receive the following: (i) continuing payments of her then current annual base salary for a period of 12 months following the termination date, (ii) a pro-rated amount of the average aggregate amount of the actual bonus payments paid to Ms. Jurich during each of the two fiscal years immediately preceding the fiscal year of her termination date and payable over a period of 12 months following the termination date, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of 12 months following termination, and (iv) 50% of all unvested equity awards held by such plan participant immediately prior to such termination will become vested and exercisable in full. Upon the occurrence of the same such an event, Messrs. Komin and Winnowski are entitled to receive the following: (i) continuing payments of their then current annual base salary for a period of six months following the termination date, (ii) a pro-rated amount of the average aggregate amount of the actual bonus payments paid to the relevant plan participant during each of the two fiscal years immediately preceding the fiscal year of the termination date and payable over a period of six months following the termination date, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of six months following termination, and (iv) 50% of all unvested equity awards held by the plan participant immediately prior to such termination will become vested and exercisable in full.

In order to receive the severance benefits, Ms. Jurich, Mr. Komin and/or Mr. Winnowski must sign and not revoke a release of claims in our favor within the timeframe set forth in the plan.

In lieu of the benefits set forth in the plan, we entered into a Transition, Separation and General Release Agreement with Mr. Holland which provided for the benefits received by Mr. Holland as part of his separation from the Company. Certain terms of the Transition, Separation and General Release Agreement are described in greater detail in the “Executive Employment Agreements” section of this proxy statement and the full agreement was filed with our Current Report on Form 8-K on December 8, 2015.

Compensation Committee Report

The compensation committee has reviewed and discussed the section titled “Executive Compensation” with management. Based on such review and discussion, the compensation committee has recommended to the board of directors that the section titled “Executive Compensation” be included in this proxy statement.

Respectfully submitted by the members of the compensation committee of the board of directors:

Richard Wong (Chair)

Steven Vassallo

Katherine August-deWilde

Equity Compensation Plan Information

The following table summarizes our equity compensation plan information as of December 31, 2015. Information is included for equity compensation plans approved by our stockholders. We do not have any equity compensation plans not approved by our stockholders.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options (1) (\$)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
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			(Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders(1)	14,301,226	(2) \$ 5.89	(3) 13,006,040
Equity compensation plans not approved by stockholders	—	—	—
Total	14,301,226	\$ 5.89	13,006,040

(1) Includes the following plans: 2008 Equity Incentive Plan, 2009 Mainstream Energy Corporation ("MEC") Stock Plan, 2013 Equity Incentive Plan, 2014 Equity Incentive Plan, 2015 Equity Incentive Plan ("2015 Plan"), and 2015 Employee Stock Purchase Plan ("2015 ESPP"). Our 2015 Plan provides that on January 1st of each fiscal year commencing in 2016 and ending on (and including) January 1, 2025, the number of shares authorized for issuance under the 2015 Plan is automatically increased by a number equal to the lesser of (i) 10,000,000 shares; (ii) 4% of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year, or; (iii) such other amount as our board of directors may determine. Our 2015 ESPP provides that on January 1st of each fiscal year commencing in 2016 and ending on (and including) January 1, 2035, the number of shares authorized for issuance under the 2015 ESPP is automatically increased by a number equal to the lesser of (i) 5,000,000 shares; (ii) 2% of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year; or (iii) such other amount as our board of directors may determine. We do not have any non-stockholder approved equity compensation plans.

(2) This number includes 1,506,075 shares subject to restricted stock units.

(3) The weighted average exercise price relates solely to outstanding stock option shares since shares subject to the restricted stock units have no exercise price.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of February 29, 2016 for:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors and nominees for director; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of our capital stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 101,492,635 shares of our common stock outstanding as of February 29, 2016. In computing the number of shares of capital stock beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares of our capital stock subject to options held by the person that are currently exercisable or exercisable within 60 days of February 29, 2016 and issuable upon the vesting of RSUs held by the person within 60 days of February 29, 2016. However, we did not deem such shares of our capital stock outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Sunrun Inc., 595 Market Street, San Francisco, California 94105. The information provided in the table is based on our records, information filed with the SEC and information provided to us, except where otherwise noted.

Name of Beneficial Owner	Number of	Percentage	
	Shares	of	
	Beneficially	Beneficially	
	Owned	Owned	
Named Executive Officers and Directors:			
Lynn Jurich (1)	3,282,468	3.23	%
Bob Komin (2)	534,980	*	
Tom Holland (3)	720,915	*	
Paul Winnowski (4)	1,142,409	1.13	%
Steven Vassallo (5)	16,247,374	16.01	%
Richard Wong (6)	10,907,932	10.75	%
Gerald Risk (7)	585,054	*	
Jameson McJunkin (8)	6,374,192	6.28	%
Katherine August-deWilde (9)	60,000	*	
Edward Fenster (10)	2,851,074	2.81	%
All executive officers and directors as a group (11 persons) (11)	42,818,377	42.19	%

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5% Stockholders:

Foundation Capital VI, L.P.(5)	16,247,374	16.01	%
Madrone Partners, L.P.(8)	10,907,932	10.75	%
Canyon Capital Advisors LLC (12)	9,259,337	9.12	%
Accel X L.P. (6)	6,374,192	6.28	%
Sequoia Capital U.S. Growth Fund IV, L.P.(13)	7,517,960	7.41	%

*Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our common stock.

(1) Consists of (i) 2,302,927 shares held of record by Ms. Jurich, and (ii) 979,541 shares issuable pursuant to outstanding stock options held by Ms. Jurich which are exercisable within 60 days of February 29, 2016.

- (2) Consists of (i) 517,285 shares issuable pursuant to outstanding stock options held by Mr. Komin which are exercisable within 60 days of February 29, 2016 and (ii) 17,695 shares issuable pursuant to RSUs which will vest within 60 days of February 29, 2016.
- (3) Consists of (i) 278,727 shares held of record by Mr. Holland and (ii) 442,188 shares issuable pursuant to outstanding stock options held by Mr. Holland which are exercisable within 60 days of February 29, 2016.
- (4) Consists of (i) 663,213 shares held of record by Mr. Winnowski and (ii) 479,196 shares issuable pursuant to outstanding stock options held by Mr. Winnowski which are exercisable within 60 days of February 29, 2016.
- (5) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Foundation Capital pursuant to Section 13(g) of the Exchange Act filed on February 8, 2016, Foundation Capital VI, L.P. ("FC6") has shared voting and dispositive power with respect to 16,247,374 shares. Foundation Capital VI Principals Fund, L.L.C. ("FC6P") has shared voting and dispositive power with respect to 16,247,374 shares. Foundation Capital Management Co. VI, L.L.C. ("FCM6") has shared voting and dispositive power with respect to 16,247,374 shares. FCM6 serves as the sole general partner of FC6 and serves as the manager of FC6P. As such, FCM6 possesses shared voting and dispositive power over the shares held by FC6 and FC6P and may be deemed to have indirect beneficial ownership of the shares held by FC6 and FC6P. The reported amount of securities beneficially owned includes 26,373 shares issuable upon the exercise of warrants held by FC6 and 295 shares issuable upon the exercise of warrants held by FC6P. The address for Foundation Capital is 250 Middlefield Road, Menlo Park, CA 94025. Steve Vassallo is a director of the issuer and a managing member of FCM6 and may be deemed to share voting and investment power over the shares held by FC6 and FC6P.
- (6) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Accel Partners pursuant to Section 13(g) of the Exchange Act filed on February 16, 2016, Accel X L.P. ("A10") has sole voting and dispositive power with respect to 9,781,146 shares. Accel X Strategic Partners L.P. ("A10SP") has sole voting and dispositive power with respect to 734,102 shares. Accel X Associates L.L.C. ("A10A") has sole voting and dispositive power with respect to 10,515,248 shares. Accel Investors 2009 L.L.C. ("AI09") has sole voting and dispositive power with respect to 392,684 shares. Richard P. Wong ("RPW") has shared voting and dispositive power with respect to 10,907,932 shares. A10A is the general partner of A10 and A10SP, and may be deemed to have sole power to vote and sole power to dispose of shares of the issuer directly owned by A10 and A10SP. RPW is a director of the issuer and managing member of A10A and AI09, and may be deemed to have shared power to vote and shared power to dispose of shares of the issuer directly owned by A10, A10SP and AI09. The address for Accel Partners is 428 University Avenue, Palo Alto, CA 94301. The reported amount of securities beneficially owned includes 17,060 shares issuable upon the exercise of warrants held by A10, A10SP and AI09.
- (7) Consists of (i) 495,054 shares held of record by the Risk Family Trust dated June 23, 2006, for which Mr. Risk and his spouse serve as co-trustees, and (ii) 90,000 shares issuable pursuant to outstanding stock options held by Mr. Risk which are exercisable within 60 days of February 29, 2016.
- (8) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Madrone Partners pursuant to Section 13(g) of the Exchange Act filed on February 16, 2016, Madrone Partners, L.P. ("Madrone") has shared voting and dispositive power with respect to 6,374,192 shares. Madrone Capital Partners, LLC ("MCP") has shared voting and dispositive power with respect to 6,374,192 shares. Jameson McJunkin has shared voting and dispositive power with respect to 6,374,192 shares. MCP is the general partner of Madrone, and shares voting and dispositive power over the shares held by Madrone. Jameson McJunkin is a director of the issuer and managing member of MCP, and shares voting and dispositive power over the shares held by Madrone. The address for Madrone Partners is 3000 Sand Hill Road, Building 1, Suite 150, Menlo Park, CA 94025. The reported amount of securities beneficially owned does not include 163,794 shares issuable upon the exercise of warrants held by Madrone.
- (9) Consists of 60,000 shares held of record by deWilde Family Trust, for which Ms. August-deWilde and her spouse serve as co-trustees.
- (10) Consists of (i) 2,016,533 shares held of record by Mr. Fenster and (ii) 834,541 shares issuable pursuant to outstanding stock options held by Mr. Fenster which are exercisable within 60 days of February 29, 2016.
- (11)

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Consists of (i) 39,324,230 shares, (ii) 3,432,724 shares issuable pursuant to outstanding stock options which are exercisable within 60 days of February 29, 2016, (iii) 17,695 shares issuable pursuant to outstanding RSUs which will vest within 60 days of February 29, 2016 and (iv) 43,728 shares issuable upon exercise of warrants. It does not include 163,794 shares issuable upon the exercise of warrants held by Madrone.

- (12) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Canyon Capital Advisors, LLC (“CCA”), pursuant to Section 13(g) of the Exchange Act filed on February 12, 2016, CCA has sole voting and dispositive power with respect to 9,259,337 shares. Mitchell Julis has shared voting and dispositive power with respect to 9,259,337 shares. Joshua S. Friedman has shared voting and dispositive power with respect to 9,259,337 shares. Mitchell Julis and Joshua S. Friedman serve as Co-Chairmen and Co-Chief Executive Officers of CCA. The reported amount of securities beneficially owned includes 750,000 shares issuable upon the exercise of warrants held by CCA. The address for persons comprising the group is 2000 Avenue of the Stars, 11th Floor, Los Angeles, CA 90067.
- (13) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Sequoia Capital pursuant to Section 13(g) of the Exchange Act filed on February 12, 2016, Sequoia Capital U.S. Growth Fund IV, L.P. (“SCGF IV”) has shared voting and dispositive power with respect to 7,204,719 shares. Sequoia Capital USGF Principals Fund IV, L.P. (“SCGF IV PF”) has shared voting and dispositive power with respect to 313,241 shares. SCGF IV Management, L.P. (“SCGF IV MGMT”) has shared voting and dispositive power with respect to 7,517,960 shares. SC US (TTGP), LTD (“US TTGP”) has shared voting and dispositive power with respect to 7,517,960 shares. SCGF IV MGMT is the General Partner of each of SCGF IV and SCGF IV PF, and TTGP is the General Partner of SCGF IV MGMT. The reported amount of securities beneficially owned by SCGF IV includes 41,483 shares of the Company’s common stock that can be acquired upon the exercise of an outstanding warrant. The reported amount of securities beneficially owned by SCGF IV PF includes 1,828 shares of the Company’s common stock that can be acquired upon the exercise of an outstanding warrant. The reported amount of securities beneficially owned by SCGF IV MGMT and US TTGP includes 43,311 shares of the Company’s common stock that can be acquired upon the exercise of outstanding warrants. The address for Sequoia Capital is 2800 Sand Hill Road, Suite 101, Menlo Park, CA 94025.

RELATED PERSON TRANSACTIONS

We describe below transactions and series of similar transactions, since the beginning of our last fiscal year, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, nominees for director, executive officers or beneficial holders of more than 5% of our outstanding common stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities (each, a related person), had or will have a direct or indirect material interest.

Transactions with Enphase Energy, Inc. and REC Solar Commercial

We have entered into a procurement agreement with Enphase Energy, Inc. to purchase inverters and other equipment from them. For the fiscal year ended on December 31, 2015, the Company recorded \$11.9 million, in purchases from Enphase Energy, Inc. and had outstanding payables of \$0.7 million as of December 31, 2015. Mr. McJunkin who serves as one of the Company's directors also served as a director of Enphase Energy, Inc. during the fiscal year ended December 31, 2015 and Madrone Capital Partners and its affiliates, which has a material ownership interest in Sunrun, also had a material ownership interests in Enphase Energy, Inc. during the fiscal year ended on December 31, 2015.

Timothy Ball, an individual who served as one of the Company's directors until March 2015 and his spouse have a direct material ownership interest in REC Solar Commercial Corporation (RECC). For the fiscal year ended December 31, 2015, the Company recorded \$0.3 million, in solar energy systems and products sales revenue from sales to RECC and had no outstanding payables as of December 31, 2015.

Policies and Procedures for Related Party Transactions

Our audit committee has the primary responsibility for reviewing and approving transactions with related persons. Our audit committee charter provides that our audit committee shall review and approve in advance any related person transactions. Our board of directors has adopted a formal written policy providing that we are not permitted to enter into any transaction that exceeds \$120,000 and in which any related person has a direct or indirect material interest without the consent of our audit committee. In approving or rejecting any such transaction, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to our audit committee, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our executive officers, directors and 10% stockholders file reports of ownership and changes of ownership with the SEC. Such directors, executive officers and 10% stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

SEC regulations require us to identify in this proxy statement anyone who filed a required report late during the most recent fiscal year. Based on our review of forms we received and written representations of our executive officers, directors and 10% stockholders, we believe that during our fiscal year ended December 31, 2015, all Section 16(a) filing requirements were satisfied on a timely basis.

Fiscal Year 2015 Annual Report and SEC Filings

Our financial statements for our fiscal year ended December 31, 2015 are included in our Annual Report on Form 10 K, which we will make available to stockholders at the same time as this proxy statement. This proxy statement and our annual report are posted on our website at www.sunrun.com under “Investors – Corporate Governance” and are available from the SEC at its website at www.sec.gov. You may also obtain a copy of our annual report without charge by sending a written request to Sunrun Inc., Attention: Investor Relations, 595 Market Street, 29th Floor, San Francisco, California 94105.

* * *

The board of directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented at the Annual Meeting, the persons named in the enclosed proxy card will have discretion to vote the shares of our common stock they represent in accordance with their own judgment on such matters.

It is important that your shares of our common stock be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by telephone or by using the Internet as instructed on the enclosed proxy card or execute and return, at your earliest convenience, the enclosed proxy card in the envelope that has also been provided.

THE BOARD OF DIRECTORS

San Francisco, California
April 8, 2016

SUNRUN INC. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF SUNRUN INC. The undersigned hereby appoints Lynn Jurich, Ed Fenster, Bob Komin and Mina Kim as proxies and attorneys-in-fact of the undersigned, each with the power to act without the other and with the power of substitution, and hereby authorizes them to represent and vote, as designated on the reverse side hereof, all the shares of common stock of Sunrun Inc. (the "Company") held of record by the undersigned at the close of business on March 28, 2016, with all powers which the undersigned would possess if present at the 2016 Annual Meeting of Stockholders of the Company to be held on May 20, 2016 or at any adjournment or postponement thereof. Receipt of the Notice of the 2016 Annual Meeting of Stockholders and Proxy Statement and the 2016 Annual Report is hereby acknowledged. (Continued and to be signed on the reverse side.)

Signature of Stockholder Date: Signature of Stockholder Date: Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person. To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. 1. To elect the following Class I Director Nominees O Lynn Jurich O Steven Vassallo 2. To ratify the appointment of Ernst & Young LLP as Sunrun Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2016. NOTE: The proxies are authorized to vote on such other business as may properly come before the meeting or any adjournment thereof. FOR AGAINST ABSTAIN FOR ALL NOMINEES WITHHOLD AUTHORITY FOR ALL NOMINEES FOR ALL EXCEPT (See instructions below) INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee you wish to withhold, as shown here: STREET APT. 203 NEW YORK, NY 10038 NOMINEES: ANNUAL MEETING OF STOCKHOLDERS OF SUNRUN INC. May 20, 2016 INTERNET - Access "www.voteproxy.com" and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page. TELEPHONE - Call toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call. Vote online/phone until 11:59 PM ET the day before the meeting. MAIL - Sign, date and mail your proxy card in the envelop provided as soon as possible. IN PERSON - You may vote your shares in person by attending the Annual Meeting. GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.amstock.com to enjoy online access. PROXY VOTING INSTRUCTIONS Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet. THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE "FOR" ALL THE NOMINEES LISTED IN PROPOSAL 1 AND "FOR" PROPOSAL 2. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x 20230000000000001000 9 052016 COMPANY NUMBER ACCOUNT NUMBER NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL: The Notice of Meeting, proxy statement and proxy card are available at <http://www.astproxyportal.com/ast/20268> MARK "X" HERE IF YOU PLAN TO ATTEND THE MEETING.

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	11
	55
	887
	1,136
Goodwill	
	18,247
	5,408
	105,463
	7,092
	8,382
	20,157
	164,749
Total assets acquired	
	26,177
	10,368
	176,231
	18,305
	17,568
	55

	39,974
	288,623
Other current liabilities	
)	(59)
)	(153)
)	(1,062)
)	(100)
)	(1,892)
)	(709)
)	(3,975)
Other liabilities	
)	(2,336)
	-
	-
)	(234)
	-
	-

)	(2,570)
Total liabilities assumed	
)	(2,395)
)	(153)
)	(1,062)
)	(334)
)	(1,892)
)	(709)
)	(6,545)
)	
Net assets acquired	
\$	23,782
\$	10,215
\$	175,169
\$	17,971
\$	15,676
\$	39,265
\$	282,078

The weighted average useful lives for the above acquired amortizable intangible assets are as follows: purchased customer accounts, 15.0 years; and noncompete agreements, 4.1 years.

Goodwill of \$164,749,000, all of which is expected to be deductible for income tax purposes, was assigned to the Retail, National Programs and Wholesale Brokerage Divisions in the amounts of \$19,773,000, \$27,144,000 and \$117,832,000, respectively.

The results of operations for the acquisitions completed during 2005 have been combined with those of Brown & Brown since their respective acquisition dates. If the acquisitions had occurred as of January 1, 2004, Brown & Brown's results of operations would be as shown in the following table. These unaudited pro forma results are not necessarily indicative of the actual results of operations that would have occurred had the acquisitions actually been made at the beginning of the respective periods.

<i>(in thousands, except per share data)</i> (UNAUDITED)	<i>Year Ended December 31,</i>	
	2005	2004
Total revenues	\$ 818,783	\$ 769,815
Income before income taxes	\$ 255,268	\$ 246,978
Net income	\$ 157,420	\$ 153,765
Net income per share:		
Basic	\$ 1.14	\$ 1.12
Diluted	\$ 1.13	\$ 1.11
Weighted average number of shares outstanding:		
Basic	138,563	137,818
Diluted	139,776	138,888

Additional consideration paid to sellers, or consideration returned to Brown & Brown by sellers, as a result of purchase price "earn-out" provisions are recorded as adjustments to intangible assets when the contingencies are settled. The net additional consideration paid by Brown & Brown as a result of these adjustments totaled \$22,832,000 in 2005 and \$965,000 in 2004, of which \$23,797,000 was allocated to goodwill. Of the \$22,832,000 net additional consideration paid in 2005, \$18,175,000 was paid in cash and the issuance of \$4,657,000 in notes payable. Of the \$965,000 net additional consideration paid in 2004, \$814,000 was paid in cash and the assumption of \$151,000 of other liabilities. As of December 31, 2005, the maximum future contingency payments related to acquisitions totaled \$189,611,000.

NOTE 3 • Goodwill

The changes in goodwill for the years ended December 31, are as follows:

<i>(in thousands)</i>	Retail	National Programs	Wholesale Brokerage	Service	Total
Balance as of January 1, 2005	\$ 259,290	\$ 84,737	\$ 16,760	\$ 56	\$ 360,843
Goodwill of acquired businesses	33,243	34,313	120,990	-	188,546
	(321)	(28)	-	-	(349)

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Goodwill disposed of relating to sales
of businesses

Balance as of December 31, 2005	292,212	119,022	137,750	56	549,040
Goodwill of acquired businesses	38,681	23,307	72,115	2,767	136,870
Goodwill disposed of relating to sales of businesses	(1,389)	-	-	-	(1,389)
Balance as of December 31, 2006	\$ 329,504	\$ 142,329	\$ 209,865	\$ 2,823	\$ 684,521

NOTE 4 • Amortizable Intangible Assets

Amortizable intangible assets at December 31 consisted of the following:

<i>(in thousands)</i>	2006				2005			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Life (years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Life (years)
Purchased customer accounts	\$ 541,967	\$ (149,764)	\$ 392,203	14.9	\$ 498,580	\$ (126,161)	\$ 372,419	14.9
Noncompete agreements	25,589	(21,723)	3,866	7.7	34,154	(28,666)	5,488	7.0
Total	\$ 567,556	\$ (171,487)	\$ 396,069		\$ 532,734	\$ (154,827)	\$ 377,907	

Amortization expense recorded for other amortizable intangible assets for the years ended December 31, 2006, 2005 and 2004 was \$36,498,000, \$33,245,000 and \$22,146,000, respectively.

Amortization expense for other amortizable intangible assets for the years ending December 31, 2007, 2008, 2009, 2010 and 2011 is estimated to be \$37,506,000, \$36,613,000, \$36,144,000, \$35,476,000, and \$34,059,000, respectively.

NOTE 5 • Investments

Investments at December 31 consisted of the following:

<i>(in thousands)</i>	2006		2005	
	Carrying Value		Carrying Value	
	Current	Non-Current	Current	Non-Current
Available-for-sale marketable equity securities	\$ 240	\$ 15,181	\$ 216	\$ 7,644
Non-marketable equity securities and certificates of deposit	2,669	645	2,532	777
Total investments	\$ 2,909	\$ 15,826	\$ 2,748	\$ 8,421

The following table summarizes available-for-sale securities at December 31:

<i>(in thousands)</i>	Cost	Gross Unrealized	Gross Unrealized	Estimated Fair Value
		Gains	Losses	
Marketable equity securities:				
2006	\$ 550	\$ 14,871	\$ -	\$ 15,421
2005	\$ 550	\$ 7,312	\$ (2)	\$ 7,860

The following table summarizes the proceeds and realized gains/(losses) on non-marketable equity securities and certificates of deposit for the years ended December 31:

<i>(in thousands)</i>	Proceeds	Gross Realized Gains	Gross Realized Losses
2006	\$ 119	\$ 25	\$ -
2005	\$ 896	\$ 87	\$ -
2004	\$ 1,107	\$ 526	\$ (118)

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NOTE 6 • Fixed Assets

Fixed assets at December 31 consisted of the following:

<i>(in thousands)</i>	2006	2005
Furniture, fixtures and equipment	\$ 90,146	\$ 83,275
Leasehold improvements	10,590	6,993
Land, buildings and improvements	487	487
	101,223	90,755
Less accumulated depreciation and amortization	(57,053)	(51,357)
Total	\$ 44,170	\$ 39,398

Depreciation and amortization expense amounted to \$11,309,000 in 2006, \$10,061,000 in 2005 and \$8,910,000 in 2004.

NOTE 7 • Accrued Expenses

Accrued expenses at December 31 consisted of the following:

<i>(in thousands)</i>	2006	2005
Accrued bonuses	\$ 42,426	\$ 35,613
Accrued compensation and benefits	16,213	15,179
Accrued rent and vendor expenses	7,937	6,504
Reserve for policy cancellations	7,432	5,019
Accrued interest	4,524	5,302
Other	7,477	6,917
Total	\$ 86,009	\$ 74,534

NOTE 8 • Long-Term Debt

Long-term debt at December 31 consisted of the following:

<i>(in thousands)</i>	2006	2005
Unsecured Senior Notes	\$ 225,000	\$ 200,000
Term loan agreements	12,857	25,714
Revolving credit facility	-	-
Acquisition notes payable	6,310	43,889
Other notes payable	167	206
Total debt	244,334	269,809
Less current portion	(18,082)	(55,630)
Long-term debt	\$ 226,252	\$ 214,179

In July 2004, the Company completed a private placement of \$200.0 million of unsecured senior notes (the "Notes"). The \$200.0 million is divided into two series: Series A, for \$100.0 million due in 2011 and bearing interest at 5.57% per year; and Series B, for \$100.0 million due in 2014 and bearing interest at 6.08% per year. The closing on the Series B Notes occurred on July 15, 2004. The closing on the Series A Notes occurred on September 15, 2004. Brown & Brown has used the proceeds from the Notes for general corporate purposes, including acquisitions and repayment

of existing debt. As of December 31, 2006 and 2005 there was an outstanding balance of \$200.0 million on the Notes.

On December 22, 2006, the Company entered into a Master Shelf and Note Purchase Agreement (the "Master Agreement") with a national insurance company (the "Purchaser"). The Purchaser also purchased Notes issued by the Company in 2004. The Master Agreement provides for a \$200.0 million private uncommitted "shelf" facility for the issuance of senior unsecured notes over a three-year period, with interest rates that may be fixed or floating and with such maturity dates, not to exceed ten (10) years, as the parties may determine. The Master Agreement includes various covenants, limitations and events of default similar to the Notes issued in 2004. The initial issuance of notes under the Master Facility Agreement occurred on December 22, 2006, through the issuance of \$25.0 million in Series C Senior Notes due December 22, 2016, with a fixed interest rate of 5.66% per annum.

Also on December 22, 2006, the Company entered into a Second Amendment to Amended and Restated Revolving and Term Loan Agreement (the "Second Term Amendment") and a Third Amendment to Revolving Loan Agreement (the "Third Revolving Amendment") with a national banking institution, amending the existing Amended and Restated Revolving and Term Loan Agreement dated January 3, 2001 (the "Term Agreement") and the existing Revolving Loan Agreement dated September 29, 2003, as amended (the "Revolving Agreement"), respectively. The amendments provided covenant exceptions for the notes issued or to be issued under the Master Agreement, and relaxed or deleted certain other covenants. In the case of the Third Revolving Amendment, the lending commitment was reduced from \$75.0 million to \$20.0 million, the maturity date was extended from September 30, 2008 to December 20, 2011, and the applicable margins for advances and the availability fee were reduced. Based on the Company's funded debt to EBITDA ratio, the applicable margin for Eurodollar advances changed from a range of 0.625% to 0.125% to a range of 0.450% to 0.875%. The applicable margin for base rate advances changed from a range of 0.00% to 0.125% to the Prime Rate less 1.000%. The availability fee changed from a range of 0.175% to 0.250% to a range of 0.100% to 0.200%. The 90-day London Interbank Offering Rate ("LIBOR") was 5.36% and 4.53% as of December 31, 2006 and 2005, respectively. There were no borrowings against this facility at December 31, 2006 or 2005.

In January 2001, Brown & Brown entered into a \$90.0 million unsecured seven-year term loan agreement with a national banking institution, bearing an interest rate based upon the 30-, 60- or 90-day LIBOR plus 0.50% to 1.00%, depending upon Brown & Brown's quarterly ratio of funded debt to earnings before interest, taxes, depreciation, amortization and non-cash stock grant compensation. The 90-day LIBOR was 5.36% and 4.53% as of December 31, 2006 and 2005, respectively. The loan was fully funded on January 3, 2001 and as of December 31, 2006 had an outstanding balance of \$12,857,000. This loan is to be repaid in equal quarterly installments of \$3,200,000 through December 2007.

All four of these credit agreements require Brown & Brown to maintain certain financial ratios and comply with certain other covenants. Brown & Brown was in compliance with all such covenants as of December 31, 2006 and 2005.

To hedge the risk of increasing interest rates from January 2, 2002 through the remaining six years of its seven-year \$90 million term loan, Brown & Brown entered into an interest rate swap agreement that effectively converted the floating rate LIBOR-based interest payments to fixed interest rate payments at 4.53%. This agreement did not affect the required 0.50% to 1.00% credit risk spread portion of the term loan. In accordance with SFAS No. 133, as amended, the fair value of the interest rate swap of approximately \$37,000, net of related income taxes of approximately \$22,000, was recorded in other assets as of December 31, 2006, and \$36,000, net of related income taxes of approximately \$22,000, was recorded in other assets as of December 31, 2005; with the related change in fair value reflected as other comprehensive income. Brown & Brown has designated and assessed the derivative as a highly effective cash flow hedge.

Acquisition notes payable represent debt incurred to former owners of certain insurance operations acquired by Brown & Brown. These notes and future contingent payments are payable in monthly, quarterly and annual installments through April 2011, including interest in the range from 0.0% to 8.05%.

Interest paid in 2006, 2005 and 2004 was \$14,136,000, \$13,726,000 and \$2,773,000, respectively.

At December 31, 2006, maturities of long-term debt were \$18,082,000 in 2007, \$889,000 in 2008, \$147,000 in 2009, \$157,000 in 2010, \$100,059,000 in 2011 and \$125,000,000 in 2012 and beyond.

NOTE 9 • Income Taxes

Significant components of the provision (benefit) for income taxes for the years ended December 31 are as follows:

<i>(in thousands)</i>	2006	2005	2004
Current:			
Federal	\$ 83,792	\$ 72,550	\$ 59,478
State	12,419	10,387	9,788
Total current provision	96,211	82,937	69,266
Deferred:			
Federal	9,139	8,547	6,967
State	2,341	2,095	1,873
Total deferred provision	11,480	10,642	8,840
Total tax provision	\$ 107,691	\$ 93,579	\$ 78,106

A reconciliation of the differences between the effective tax rate and the federal statutory tax rate for the years ended December 31 is as follows:

	2006	2005	2004
Federal statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	3.4	3.3	3.7
State income tax credits	-	-	(0.5)
Non-deductible employee stock purchase plan expense	0.4	-	-
Interest exempt from taxation and dividend exclusion	(0.3)	(0.2)	(0.2)
Other, net	-	0.2	(0.3)
Effective tax rate	38.5%	38.3%	37.7%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax reporting purposes.

Significant components of Brown & Brown's deferred tax liabilities and assets as of December 31 are as follows:

<i>(in thousands)</i>	2006	2005
Deferred tax liabilities:		
Fixed assets	\$ 3,051	\$ 3,454
Net unrealized holding gain of available-for-sale securities	5,337	2,584
Prepaid insurance and pension	2,516	2,219
Net gain on cash-flow hedging derivative	22	22
Intangible assets	51,127	37,379
Total deferred tax liabilities	62,053	45,658
Deferred tax assets:		
Deferred compensation	5,886	4,984
Accruals and reserves	6,310	4,973
Net operating loss carryforwards	634	537
Valuation allowance for deferred tax assets	(498)	(325)
Total deferred tax assets	12,332	10,169
Net deferred tax liability	\$ 49,721	\$ 35,489

Income taxes paid in 2006, 2005 and 2004 were \$102,761,000, \$77,143,000, and \$72,904,000, respectively.

At December 31, 2006, Brown & Brown had a net operating loss carryforwards of \$463,000 and \$18,466,000 for federal and state income tax reporting purposes, respectively, portions of which expire in the years 2007 through 2021. The federal carryforward was derived from insurance operations acquired by Brown & Brown in 2001 and 1998. The state carryforward is derived from the operating results of certain profit centers.

NOTE 10 • Employee Savings Plan

Brown & Brown has an Employee Savings Plan (401(k)) under which substantially all employees with more than 30 days of service are eligible to participate. Under this plan, Brown & Brown makes matching contributions, subject to a maximum of 2.5% of each participant's salary. Further, Brown & Brown provides for a discretionary profit-sharing contribution for all eligible employees. Brown & Brown's contributions to the plan totaled \$7,585,000 in 2006, \$7,762,000 in 2005 and \$6,569,000 in 2004.

NOTE 11 • Stock-Based Compensation

Performance Stock Plan

Brown & Brown has adopted and the shareholders have approved a performance stock plan, under which up to 14,400,000 shares of Brown & Brown's stock (Performance Stock, also referred to as PSP) may be granted to key employees contingent on the employees' future years of service with Brown & Brown and other criteria established by the Compensation Committee of Brown & Brown's Board of Directors. Before participants take full title to Performance Stock, two vesting conditions must be met. Of the grants currently outstanding, specified portions will satisfy the first condition for vesting based on increases in the 20-trading-day average stock price of Brown & Brown's common stock from the initial grant price specified by Brown & Brown. Performance Stock that has satisfied the first vesting condition is considered to be "awarded shares." Awarded shares are included as issued and outstanding common stock shares and are included in the calculation of basic and diluted earnings per share. Dividends are paid on awarded shares and participants may exercise voting privileges on such shares. Awarded shares satisfy the second condition for vesting on the earlier of: (i) 15 years of continuous employment with Brown & Brown from the date shares are granted to the participants; (ii) attainment of age 64; or (iii) death or disability of the participant. At December 31, 2006, 6,217,830 shares had been granted under the plan at initial stock prices ranging from \$1.90 to \$30.55. As of December 31, 2006, 5,036,170 shares had met the first condition for vesting and had been awarded, and 526,312 shares had satisfied both conditions for vesting and had been distributed to the participants.

The Company uses a path-dependent lattice model to estimate the fair value of PSP grants on the grant-date under SFAS 123R. A summary of PSP activity for the year ended December 31, 2006 is as follows:

	Weighted- Average Grant Date Fair Value	Granted Shares	Awarded Shares	Shares Not Yet Awarded
Outstanding at January 1, 2006	\$ 5.21	5,851,682	5,125,304	726,378
Granted	\$ 18.48	262,260	868	261,392
Awarded	\$ 11.99	—	291,035	(291,035)
Vested	\$ 6.43	(28,696)	(28,696)	—
Forfeited	\$ 5.93	(393,728)	(352,341)	(41,387)
Outstanding at December 31, 2006	\$ 5.92	5,691,518	5,036,170	655,348

The weighted average grant-date fair value of PSP grants for years ended December 31, 2006, 2005 and 2004 was \$18.48, \$14.39 and \$11.31, respectively. The total fair market value of PSP grants that vested during each of the years ended December 31, 2006, 2005 and 2004 was \$862,000, \$1,581,000 and \$914,000, respectively.

Employee Stock Purchase Plan

The Company has a shareholder-approved Employee Stock Purchase Plan (“ESPP”) with a total of 12,000,000 authorized shares and 5,027,183 available for future subscriptions. Employees of the Company who regularly work more than 20 hours per week are eligible to participate in the plan. Participants, through payroll deductions, may subscribe to purchase Company stock up to 10% of their compensation, to a maximum of \$25,000, during each annual subscription period (August 1st to the following July 31st) at a cost of 85% of the lower of the stock price as of the beginning or ending of the stock subscription period. For the plan year ended July 31, 2006, 2005 and 2004, the Company issued 571,601, 521,948 and 546,344 shares of common stock in the month of August 2006, 2005 and 2004, respectively. These shares were issued at an aggregate purchase price of \$10,557,000 or \$18.47 per share in 2006, \$9,208,000 or \$17.64 per share in 2005 and \$7,256,000 or \$13.28 per share in 2004. For the five months ended December 31, 2006, 2005 and 2004 of the 2006-2007, 2005-2006 and 2004-2005 plan years, 191,140, 241,668 and 218,515 shares of common stock (from authorized but unissued shares), respectively, were subscribed to by participants for proceeds of approximately \$4,817,000 \$4,464,000 and \$4,036,000, respectively.

Incentive Stock Option Plan

On April 21, 2000, Brown & Brown adopted and the shareholders have approved a qualified incentive stock option plan that provides for the granting of stock options to certain key employees for up to 4,800,000 shares of common stock. The objective of this plan is to provide additional performance incentives to grow Brown & Brown's pre-tax income in excess of 15% annually. The options are granted at the most recent trading day's closing market price, and vest over a one-to-10-year period, with a potential acceleration of the vesting period to three to six years based upon achievement of certain performance goals. All of the options expire 10 years after the grant date.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options on the grant-date under SFAS 123R, which is the same valuation technique previously used for pro forma disclosures under SFAS 123. The Company did not grant any options during the year ended December 31, 2006, but did grant 12,000 shares during the year ended December 31, 2005. The weighted average fair value of the incentive stock options granted during 2005 estimated on the date of grant, using the Black-Scholes option-pricing model, was \$8.51 per share. The fair value of these options granted was estimated on the date of grant using the following assumptions: dividend yield of 0.86%; expected volatility of 35.0%; risk-free interest rate of 4.5%; and an expected life of 6 years.

The risk-free interest rate is based upon the U.S. Treasury yield curve on the date of grant with a remaining term approximating the expected term of the option granted. The expected term of the options granted is derived from historical data; grantees are divided into two groups based upon expected exercise behavior and are considered separately for valuation purposes. The expected volatility is based upon the historical volatility of the Company's common stock over the period of time equivalent to the expected term of the options granted. The dividend yield is based upon the Company's best estimate of future dividend yield.

A summary of stock option activity for the years ended December 31, 2006, 2005 and 2004 is as follows:

Stock Options	Shares Under option	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2004	2,227,276	\$ 10.18		
Granted	—	\$ —		
Exercised	(154,248)	\$ 4.96		
Forfeited	—	\$ —		
Expired	—	\$ —		
Outstanding at December 31, 2004	2,073,028	\$ 10.56	6.9	\$ 36,580
Granted	12,000	\$ 22.06		
Exercised	(68,040)	\$ 4.84		
Forfeited	—	\$ —		
Expired	—	\$ —		
Outstanding at December 31, 2005	2,016,988	\$ 10.83	5.9	\$ 35,064
Granted	—	\$ —		
Exercised	(123,213)	\$ 6.11		
Forfeited	(8,000)	\$ 15.78		
Expired	—	\$ —		
Outstanding at December 31, 2006	1,885,775	\$ 11.11	4.9	\$ 32,241

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Exercisable at December 31, 2006	1,185,067	\$	8.29	4.2	\$	23,607
Exercisable at December 31, 2005	783,672	\$	4.88	5.2	\$	18,281
Exercisable at December 31, 2004	698,312	\$	4.86	6.2	\$	16,304

The following table summarizes information about stock options outstanding at December 31, 2006:

Exercise Price	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	
\$4.84	810,444	3.3	\$ 4.84	810,444	\$ 4.84	
\$14.20	4,000	4.8	\$ 14.20	4,000	\$ 14.20	
\$15.78	1,059,331	6.2	\$ 15.78	370,623	\$ 15.78	
\$22.06	12,000	8.0	\$ 22.06	-	-	
	1,885,775	5.0	\$ 11.11	1,185,067	\$ 8.29	

The weighted average grant-date fair value of stock options granted during the year ended December 31, 2006, 2005 and 2004 was \$0.00, \$8.51 and \$0.00, respectively. The total intrinsic value of options exercised, determined as of the date of exercise, during the years ended December 31, 2006, 2005 and 2004 was \$2,865,000, \$1,381,000 and \$2,234,000, respectively. The total intrinsic value is calculated as the difference between the exercise price of all underlying awards and the quoted market price of the Company's stock for all in-the-money stock options at December 31, 2006, 2005 and 2004.

There were 1,545,996 option shares available for future grant under this plan as of December 31, 2006.

Summary of Non-Cash Stock-Based Compensation Expense

The non-cash stock-based compensation expense for the years ended December 31, is as follows:

<i>(in thousands)</i>	2006	2005	2004
Employee Stock Purchase Plan	\$ 3,049	\$ -	-
Performance Stock Plan	1,874	3,337	2,625
Incentive Stock Option Plan	493	-	-
	\$ 5,416	\$ 3,337	\$ 2,625

Summary of Unrecognized Compensation Expense

As of December 31, 2006, there was approximately \$19.8 million of unrecognized compensation expense related to all non-vested share-based compensation arrangements granted under the Company's stock-based compensation plans. That expense is expected to be recognized over a weighted-average period of 9.2 years.

NOTE 12 • Supplemental Disclosures of Cash Flow Information

Brown & Brown's significant non-cash investing and financing activities for the years ended December 31 are summarized as follows:

<i>(in thousands)</i>	2006	2005	2004
Unrealized holding gain (loss) on available-for-sale securities, net of tax benefit of \$2,752 for 2006; net of tax benefit of \$300 for 2005; and net of tax benefit of \$530 for 2004	\$ 4,697	\$ (512)	\$ (649)
Net gain on cash-flow hedging derivative, net of tax effect of \$0 for 2006, net of tax effect of \$289 for 2005; and net of tax effect of \$557 for 2004	\$ 1	\$ 491	\$ 889
Notes payable issued or assumed for purchased customer accounts	\$ 36,957	\$ 42,843	\$ 1,976
Notes received on the sale of fixed assets and customer accounts	\$ 2,715	\$ 1,855	\$ 6,024
Common stock issued for acquisitions accounted for under the purchase method of accounting	\$ -	\$ -	\$ 6,244

NOTE 13 • Commitments and Contingencies**Operating Leases**

Brown & Brown leases facilities and certain items of office equipment under noncancelable operating lease arrangements expiring on various dates through 2017. The facility leases generally contain renewal options and escalation clauses based upon increases in the lessors' operating expenses and other charges. Brown & Brown anticipates that most of these leases will be renewed or replaced upon expiration. At December 31, 2006, the aggregate future minimum lease payments under all noncancelable lease agreements were as follows:

<i>(in thousands)</i>	
2007	\$ 20,955
2008	18,472
2009	15,129
2010	11,471
2011	6,868
Thereafter	9,398
Total minimum future lease payments	\$ 82,293

Rental expense in 2006, 2005 and 2004 for operating leases totaled \$30,338,000, \$28,926,000 and \$24,595,000, respectively.

Legal Proceedings

Antitrust Actions and Related Matters

As disclosed in prior years, Brown & Brown, Inc. is one of more than ten insurance intermediaries named together with a number of insurance companies as defendants in putative class action lawsuits purporting to be brought on behalf of policyholders. Brown & Brown, Inc. initially became a defendant in certain of those actions in October and December of 2004. In February 2005, the Judicial Panel on Multi-District Litigation consolidated these cases, together with other putative class action lawsuits in which Brown & Brown, Inc. was not named as a party, to a single jurisdiction, the United States District Court, District of New Jersey, for pre-trial purposes. One of the consolidated actions, *In Re: Employee-Benefits Insurance Antitrust Litigation*, concerns employee benefits insurance and the other, styled *In Re: Insurance Brokerage Antitrust Litigation*, involves other lines of insurance. These two consolidated actions are collectively referred to in this report as the "Antitrust Actions." The complaints refer to an action, since settled, that was filed against Marsh & McLennan Companies, Inc. ("Marsh & McLennan"), the largest insurance broker in the world, by the New York State Attorney General in October 2004, and allege various improprieties and unlawful acts by the various defendants in the pricing and placement of insurance, including alleged manipulation of the insurance market by, among other things: "bid rigging" and "steering" clients to particular insurers based on considerations other than the clients' interests; alleged entry into unlawful tying arrangements pursuant to which the placement of primary insurance contracts was conditioned upon commitments to place reinsurance through a particular broker; and alleged failure to disclose contingent commission and other allegedly improper compensation and fee arrangements. The plaintiffs in the Antitrust Actions assert a number of causes of action, including violations of the federal antitrust laws, multiple state antitrust and unfair and deceptive practices statutes, and the federal anti-racketeering (RICO) statute, as well as breach of fiduciary duty, misrepresentation, conspiracy, aiding and abetting, and unjust enrichment, and seek injunctive and declaratory relief as well as unspecified damages, including treble and punitive damages, and attorneys' fees and costs. Brown & Brown, Inc. disputes the allegations and is vigorously defending itself in the Antitrust Actions.

Related Governmental Investigations

Since the New York State Attorney General filed the lawsuit referenced above against Marsh & McLennan in October 2004, governmental agencies in a number of states have looked or are looking into issues related to compensation practices in the insurance industry, and the Company has received and responded to written and oral requests for information and/or subpoenas seeking information related to this topic. To date, requests for information and/or subpoenas have been received from governmental agencies such as attorneys general or departments of insurance in the following states: Arkansas (Department of Insurance), Arizona (Department of Insurance), California (Department of Insurance), Connecticut (Office of Attorney General), Florida (Office of Attorney General, Department of Financial Services, and Office of Insurance Regulation), Illinois (Office of Attorney General), Nevada (Department of Business & Industry, Division of Insurance), New Hampshire (Department of Insurance), New Jersey (Department of Banking and Insurance), New York (Office of Attorney General), North Carolina (Department of Insurance and Department of Justice), Oklahoma (Department of Insurance), Pennsylvania (Department of Insurance), South Carolina (Department of Insurance), Texas (Department of Insurance), Vermont (Department of Banking, Insurance, Securities & Healthcare Administration), Virginia (State Corporation Commission, Bureau of Insurance, Agent Regulation & Administration Division), Washington (Office of Insurance Commissioner) and West Virginia (Office of Attorney General). Agencies in Arizona, Virginia and Washington have concluded their respective investigations of subsidiaries of Brown & Brown, Inc. based in those states with no further action as to these entities. On December 8, 2006, Brown & Brown reached a settlement with the Florida government agencies identified above which terminated the joint investigation of those agencies with respect to Brown & Brown, Inc. and its subsidiaries. The settlement involved no finding of wrongdoing, no fines or penalties and no prohibition of profit-sharing compensation. Pursuant to the terms of the settlement, Brown & Brown, Inc. agreed to pay \$1,800,000 to the investigating agencies to be

distributed to Florida governmental entity policyholders of the Company plus \$1,000,000 in attorneys' fees and costs associated with the investigation. Additionally, a Brown & Brown, Inc. subsidiary, Program Management Services Inc., doing business as Public Risk Underwriters®, agreed to pay \$3,000,000 to the investigating agencies for distribution to a local government self-insurance fund. The affirmative obligations imposed under the settlement include continued enhanced disclosures to Florida policyholders concerning compensation received by Brown & Brown, Inc. and its subsidiaries .

Some of the other insurance intermediaries and insurance companies that have been subject to governmental investigations and/or lawsuits arising out of these matters have chosen to settle some such matters. Such settlements have involved the payment of substantial sums, as well as agreements to change business practices, including agreeing to no longer pay or accept profit-sharing contingent commissions. Some of the other insurance intermediaries and insurance companies have entered into agreements with governmental agencies and in the Antitrust Actions, which collectively involve payments by these intermediaries to agencies and to certain of their clients totaling in excess of \$1 billion. Many of these settlement agreements provided that the settling insurance intermediaries would discontinue acceptance of any contingency compensation.

As previously disclosed in our public filings, offices of the Company are party to contingent commission agreements with certain insurance companies, including agreements providing for potential payment of revenue-sharing commissions by insurance companies based primarily on the overall profitability of the aggregate business written with that insurance company, and/or additional factors such as retention ratios and overall volume of business that an office or offices place with the insurance company. Additionally, to a lesser extent, some offices of the Company are party to override commission agreements with certain insurance companies, and these agreements provide for commission rates in excess of standard commission rates to be applied to specific lines of business, such as group health business, based primarily on the overall volume of such business that the office or offices in question place with the insurance company. The Company has not chosen to discontinue receiving profit-sharing contingent commissions or override commissions.

As previously disclosed, a committee comprised of independent members of the Board of Directors of Brown & Brown, Inc. (the "Special Review Committee") determined that maintenance of a derivative suit was not in the best interests of the Company, following an investigation in response to a December 2004 demand letter from counsel purporting to represent a current shareholder of Brown & Brown, Inc. (the "Demand Letter"). The Demand Letter sought the commencement of a derivative suit by Brown & Brown, Inc. against the Board of Directors and current and former officers and directors of Brown & Brown, Inc. for alleged breaches of fiduciary duty related to the Company's participation in contingent commission agreements. The Special Review Committee's conclusions were communicated to the purported shareholder's counsel and there has been limited communication since then. There can be no assurance that the purported shareholder will not further pursue his allegations or that any pursuit of any such allegations would not have a material adverse effect on the Company.

In response to the foregoing events, the Company also, on its own volition, engaged outside counsel to conduct a limited internal inquiry into certain sales and marketing practices of the Company, with special emphasis on the effects of contingent commission agreements on the placement of insurance products by the Company for its clients. The internal inquiry resulted in several recommendations being made in January 2006 regarding disclosure of compensation, premium finance charges, the retail-wholesale interface, fee-based compensation and direct incentives from insurance companies, and the Company has been evaluating such recommendations and has adopted or is in the process of adopting these recommendations. As a result of that inquiry, and in the process of preparing responses to some of the governmental agency inquiries referenced above, management of the Company became aware of a limited number of specific, unrelated instances of questionable conduct. These matters have been addressed and resolved, or are in the process of being addressed and resolved, on a case-by-case basis, and thus far the amounts involved in resolving such matters have not been, either individually or in the aggregate, material. However, there can be no assurance that the ultimate cost and ramifications of resolving these matters will not have a material adverse effect on the Company.

The Company cannot currently predict the impact or resolution of the Antitrust Actions, the shareholder demand or the various governmental inquiries or lawsuits and thus cannot reasonably estimate a range of possible loss, which could be material, or whether the resolution of these matters may harm the Company's business and/or lead to a decrease in or elimination of profit-sharing contingent commissions and override commissions, which could have a material adverse impact on the Company's consolidated financial condition.

Other

The Company is involved in numerous pending or threatened proceedings by or against Brown & Brown, Inc. or one or more of its subsidiaries that arise in the ordinary course of business. The damages that may be claimed against the Company in these various proceedings are substantial, including in many instances claims for punitive or extraordinary damages. Some of these claims and lawsuits have been resolved, others are in the process of being resolved, and others are still in the investigation or discovery phase. The Company will continue to respond appropriately to these claims and lawsuits, and to vigorously protect its interests.

Among the above-referenced claims, and as previously described in the Company's public filings, there are several threatened and pending legal claims and lawsuits against Brown & Brown, Inc. and Brown & Brown Insurance Services of Texas, Inc. (BBTX), a subsidiary of Brown & Brown, Inc., arising out of BBTX's involvement with the procurement and placement of workers' compensation insurance coverage for entities including several professional employer organizations. One such action, styled *Great American Insurance Company, et al. v. The Contractor's Advantage, Inc., et al.*, Cause No. 2002-33960, pending in the 189th Judicial District Court in Harris County, Texas, asserts numerous causes of action, including fraud, civil conspiracy, federal Lanham Act and RICO violations, breach of fiduciary duty, breach of contract, negligence and violations of the Texas Insurance Code against BBTX, Brown & Brown, Inc. and other defendants, and seeks recovery of punitive or extraordinary damages (such as treble damages) and attorneys' fees. Although the ultimate outcome of the matters referenced in this section titled "Other" cannot be ascertained and liabilities in indeterminate amounts may be imposed on Brown & Brown, Inc. or its subsidiaries, on the basis of present information, availability of insurance and legal advice received, it is the opinion of management that the disposition or ultimate determination of such claims will not have a material adverse effect on the Company's consolidated financial position. However, as (i) one or more of the Company's insurance carriers could take the position that portions of these claims are not covered by the Company's insurance, (ii) to the extent that payments are made to resolve claims and lawsuits, applicable insurance policy limits are eroded, and (iii) the claims and lawsuits relating to these matters are continuing to develop, it is possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by unfavorable resolutions of these matters.

NOTE 14• Business Concentrations

A significant portion of business written by Brown & Brown is for customers located in California, Florida, Georgia, Michigan, New Jersey, New York, Pennsylvania and Washington. Accordingly, the occurrence of adverse economic conditions, an adverse regulatory climate, or a disaster in any of these states could have a material adverse effect on Brown & Brown's business, although no such conditions have been encountered in the past.

For the year ended December 31, 2006, approximately 5.3% and 4.9% of Brown & Brown's total revenues were derived from insurance policies underwritten by two separate insurance companies, respectively. For the year ended December 31, 2005, approximately 8.0% and 5.4% of Brown & Brown's total revenues were derived from insurance policies underwritten by the same two separate insurance companies, respectively. Should these insurance companies seek to terminate its arrangement with Brown & Brown, the Company believes that other insurance companies are available to underwrite the business, although some additional expense and loss of market share could possibly result. No other insurance company accounts for 5% or more of Brown & Brown's total revenues.

NOTE 15 • Quarterly Operating Results (Unaudited)

Quarterly operating results for 2006 and 2005 were as follows:

<i>(in thousands, except per share data)</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2006				
Total revenues	\$ 230,582	\$ 220,807	\$ 211,965	\$ 214,650
Total expenses	\$ 149,146	\$ 149,840	\$ 146,400	\$ 152,577
Income before income taxes	\$ 81,436	\$ 70,967	\$ 65,565	\$ 62,073
Net income	\$ 50,026	\$ 44,431	\$ 40,270	\$ 37,623
Net income per share:				
Basic	\$ 0.36	\$ 0.32	\$ 0.29	\$ 0.27
Diluted	\$ 0.36	\$ 0.32	\$ 0.29	\$ 0.27
2005				
Total revenues	\$ 202,374	\$ 195,931	\$ 190,645	\$ 196,857
Total expenses	\$ 131,861	\$ 135,463	\$ 134,956	\$ 139,397
Income before income taxes	\$ 70,513	\$ 60,468	\$ 55,689	\$ 57,460
Net income	\$ 43,018	\$ 37,033	\$ 34,783	\$ 35,717
Net income per share:				
Basic	\$ 0.31	\$ 0.27	\$ 0.25	\$ 0.26
Diluted	\$ 0.31	\$ 0.27	\$ 0.25	\$ 0.25

Quarterly financial information is affected by seasonal variations. The timing of profit-sharing contingent commissions, policy renewals and acquisitions may cause revenues, expenses and net income to vary significantly between quarters.

NOTE 16• Segment Information

Brown & Brown's business is divided into four reportable segments: the Retail Division, which provides a broad range of insurance products and services to commercial, governmental, professional and individual customers; the National

Programs Division, which is comprised of two units - Professional Programs, which provides professional liability and related package products for certain professionals delivered through nationwide networks of independent agents, and Special Programs, which markets targeted products and services designated for specific industries, trade groups, public and quasi-public entities, and market niches; the Wholesale Brokerage Division, which markets and sells excess and surplus commercial and personal lines insurance, and reinsurance, primarily through independent agents and brokers; and the Services Division, which provides insurance-related services, including third-party administration, consulting for the workers' compensation and employee benefit self-insurance markets, managed healthcare services and Medicare set-aside services. Brown & Brown conducts all of its operations within the United States of America.

The accounting policies of the reportable segments are the same as those described in Note 1. Brown & Brown evaluates the performance of its segments based upon revenues and income before income taxes. Inter-segment revenues are eliminated.

Summarized financial information concerning Brown & Brown's reportable segments is shown in the following table. The "Other" column includes any income and expenses not allocated to reportable segments and corporate-related items, including the inter-company interest expense charge to the reporting segment.

Year Ended December 31, 2006

<i>(in thousands)</i>	Retail	National Programs	Wholesale Brokerage	Services	Other	Total
Total revenues	\$ 517,989	\$ 157,448	\$ 163,346	\$ 32,606	\$ 6,615	\$ 878,004
Investment income	139	432	4,017	45	6,846	11,479
Amortization	19,305	8,718	8,087	343	45	36,498
Depreciation	5,621	2,387	2,075	533	693	11,309
Interest expense	18,903	10,554	18,759	440	(35,299)	13,357
Income before income taxes	145,749	48,560	26,865	7,963	50,904	280,041
Total assets	1,103,107	544,272	618,374	32,554	(490,355)	1,807,952
Capital expenditures	5,952	3,750	2,085	588	2,604	14,979

Year Ended December 31, 2005

<i>(in thousands)</i>	Retail	National Programs	Wholesale Brokerage	Services	Other	Total
Total revenues	\$ 491,202	\$ 133,930	\$ 127,113	\$ 27,517	\$ 6,045	\$ 785,807
Investment income	159	367	1,599	-	4,453	6,578
Amortization	19,368	8,103	5,672	43	59	33,245
Depreciation	5,641	1,998	1,285	435	702	10,061
Interest expense	20,927	10,433	12,446	4	(29,341)	14,469
Income before income taxes	128,881	38,385	28,306	6,992	41,566	244,130
Total assets	1,002,781	445,146	476,653	18,766	(334,686)	1,608,660
Capital expenditures	6,186	3,067	1,969	350	1,854	13,426

Year Ended December 31, 2004

<i>(in thousands)</i>	Retail	National Programs	Wholesale Brokerage	Services	Other	Total
Total revenues	\$ 461,348	\$ 112,092	\$ 41,603	\$ 26,809	\$ 5,082	\$ 646,934
Investment income	567	139	-	-	2,009	2,715
Amortization	15,314	5,882	757	36	157	22,146
Depreciation	5,734	1,583	508	387	698	8,910
Interest expense	21,846	8,603	1,319	69	(24,681)	7,156
Income before income taxes	113,637	33,930	11,337	6,375	41,670	206,949
Total assets	843,823	359,551	128,699	13,760	(96,316)	1,249,517
Capital expenditures	5,568	2,693	694	788	409	10,152

NOTE 17• Subsequent Events

From January 1, 2007 through March 1, 2007, Brown & Brown acquired the assets and assumed certain liabilities of five insurance intermediaries, a book of business and the outstanding stock of two general insurance agency. The aggregate purchase price of these acquisitions was \$47,569,000, including \$40,818,000 of net cash payments, the issuance of \$3,869,000 in notes payable and the assumption of \$2,882,000 of liabilities. All of these acquisitions were acquired primarily to expand Brown & Brown's core businesses and to attract and obtain high-quality individuals. Acquisition purchase prices are based primarily on a multiple of average annual operating profits earned over a one- to four-year period within a minimum and maximum price range. The initial asset allocation of an acquisition is based on the minimum purchase price, and any subsequent earn-out payment is allocated to goodwill.

As of December 31, 2006, the value of the Rock-Tenn Company investment was \$15,181,000. In late January 2007, the stock of Rock-Tenn began trading in excess of \$32.00 per share and the Board of Directors authorized the sale of 275,000 shares. We realized a gain of \$8,840,000 in excess of our original cost basis. As of February 23, 2007, we have remaining 284,970 share of Rock-Tenn at a value of \$9,891,000. We may sell these remaining shares in 2007.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Brown & Brown, Inc.
Daytona Beach, Florida

We have audited the accompanying consolidated balance sheets of Brown & Brown, Inc. and subsidiaries (the "Company") as of December 31, 2006 and 2005, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2006 and 2005, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2006, based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2007 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Certified Public Accountants
Jacksonville, Florida
March 1, 2007

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Management of Brown & Brown, Inc. and its subsidiaries ("Brown & Brown") is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Securities Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including Brown & Brown's principal executive officer and principal financial officer, Brown & Brown conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In conducting Brown & Brown's evaluation of this effectiveness of its internal control over financial reporting, Brown & Brown has excluded the following acquisitions completed by Brown & Brown during 2006: Axiom Intermediaries, NuQuest Resources, Inc. and Bridge Pointe, Inc., Ideal Insurance Agency, Inc., Monarch Management Corporation and Texas Monarch Management Corporation, Delaware Valley Underwriting Agency, Inc. et al., and ProTexn, Inc. and Best Practices Insurance Agency, Inc. Collectively, these acquisitions represented 8.5% of total assets as of December 31, 2006, 2.5% of total revenue and 1.3% of net income for the year ended. Refer to Note 2 to the Consolidated Financial Statements for further discussion of these acquisitions and their impact on Brown & Brown's Consolidated Financial Statements.

Based on Brown & Brown's evaluation under the framework in Internal Control - Integrated Framework, management concluded that internal control over financial reporting was effective as of December 31, 2006. Management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2006 has been audited by Deloitte & Touche, LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Brown & Brown, Inc.
Daytona Beach, Florida
March 1, 2007

/s/ J. Hyatt Brown

J. Hyatt Brown
Chief Executive Officer

/s/ Cory T. Walker

Cory T. Walker
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Brown & Brown, Inc.
Daytona Beach, Florida

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting that Brown & Brown, Inc. and its subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Axiom Intermediaries, NuQuest Resources, Inc. and Bridge Pointe, Inc., Ideal Insurance Agency, Inc., Monarch Management Corporation and Texas Monarch Management Corporation, Delaware Valley Underwriting Agency, Inc. et al., and ProTexn, Inc. and Best Practices Insurance Agency, Inc. (collectively the "2006 Excluded Acquisitions"), which were acquired during 2006 and whose financial statements constitute 8.5% of total assets, 2.5% of revenues and 1.3% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2006. Accordingly, our audit did not include the internal control over financial reporting at the 2006 Excluded Acquisitions. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

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

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2006 of the Company and our report dated March 1, 2007, expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

Certified Public Accountants
Jacksonville, Florida
March 1, 2007

ITEM 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.*

There were no changes in or disagreements with accountants on accounting and financial disclosure in 2006.

ITEM 9A. *Controls and Procedures.*

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation (the "Evaluation") required by Rules 13a-15 and 15d-15 under the Exchange Act of 1934 (the "Exchange Act"), under the supervision and with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15 and 15d-15 under the Exchange Act ("Disclosure Controls"). Based on the Evaluation, our CEO and CFO concluded that the design and operation of our Disclosure Controls provide reasonable assurance that the Disclosure Controls, as described in this Item 9A, are effective in alerting them timely to material information required to be included in our periodic SEC reports.

Changes in Internal Controls

There has not been any change in our internal control over financial reporting identified in connection with the Evaluation that occurred during the quarter ended December 31, 2006 that has materially affected, or is reasonably likely to materially affect, those controls.

Inherent Limitations of Internal Control Over Financial Reporting

Our management, including our CEO and CFO, does not expect that our Disclosure Controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CEO and CFO Certifications

Exhibits 31.1 and 31.2 are the Certifications of the CEO and the CFO, respectively. The Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (the "Section 302 Certifications"). This Item of this report, which you are currently reading, is the information concerning the Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system was designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of December 31, 2006. Management's Annual Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm on Internal Controls over Financial Reporting are set forth in Part II, Item 8 of this Annual Report on Form 10-K and are included herein by reference.

ITEM 9B.

Other Information.

None.

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PART III

ITEM 10. *Directors, Executive Officers and Corporate Governance.*

The information required by this item regarding directors and executive officers is incorporated herein by reference to our definitive Proxy Statement to be filed with the SEC in connection with the Annual Meeting of Shareholders to be held in 2007 (the "2007 Proxy Statement") under the headings "Management" and "Section 16(a) Beneficial Ownership Reporting." We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, and controller. A copy of our Code of Ethics for Chief Executive Officer and Senior Financial Officers and a copy of our Code of Business Conduct and Ethics applicable to all employees are posted on our Internet website, at www.bbinsurance.com, and are also available upon written request. Requests for copies of our Code of Ethics should be directed in writing to Investor Relations, Brown & Brown, Inc., 220 South Ridgewood Avenue, Daytona Beach, Florida 32114, or by telephone to (352) 732-6522.

ITEM 11. *Executive Compensation.*

The information required by this item is incorporated herein by reference to the 2007 Proxy Statement under the heading "Executive Compensation."

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

The information required by this item is incorporated herein by reference to the 2007 Proxy Statement under the heading "Security Ownership of Management and Certain Beneficial Owners."

ITEM 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this item is incorporated herein by reference to the 2007 Proxy Statement under the heading "Management — Certain Relationships and Related Transactions."

ITEM 14. *Principal Accountant Fees and Services.*

The information required by this item is incorporated herein by reference to the 2007 Proxy Statement under the heading "Fees Paid to Deloitte & Touche LLP."

PART IV

ITEM 15.

Exhibits and Financial Statement Schedules.

The following documents are filed as part of this Report:

(a) 1. Financial statements

Reference is made to the information set forth in Part II, Item 8 of this Report, which information is incorporated by reference.

2. Consolidated Financial Statement Schedules.

All required Financial Statement Schedules are included in the Consolidated Financial Statements or the Notes to Consolidated Financial Statements.

3. Exhibits

The following exhibits are filed as a part of this Report:

- 3.1 Articles of Amendment to Articles of Incorporation (adopted April 24, 2003) (incorporated by reference to Exhibit 3a to Form 10-Q for the quarter ended March 31, 2003), and Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3a to Form 10-Q for the quarter ended March 31, 1999).
- 3.2 Bylaws (incorporated by reference to Exhibit 3b to Form 10-K for the year ended December 31, 2002).
- 10.1(a) Lease of the Registrant for office space at 220 South Ridgewood Avenue, Daytona Beach, Florida dated August 15, 1987 (incorporated by reference to Exhibit 10a(3) to Form 10-K for the year ended December 31, 1993), as amended by Letter Agreement dated June 26, 1995; First Amendment to Lease dated August 2, 1999; Second Amendment to Lease dated December 11, 2001; Third Amendment to Lease dated August 8, 2002; and Fourth Amendment to Lease dated October 26, 2004 (incorporated by reference to Exhibit 10.2(a) to Form 10-K for the year ended December 31, 2005).
- 10.1(b) Lease Agreement for office space at 3101 W. Martin Luther King, Jr. Blvd., Tampa, Florida, dated July 1, 2004 and effective May 9, 2005, between Highwoods/Florida Holdings, L.P., as landlord and the Registrant, as tenant (incorporated by reference to Exhibit 10.2(ba) to Form 10-K for the year ended December 31, 2005).
- 10.1(c)

Lease Agreement for office space at Riedman Tower, Rochester, New York, dated January 3, 2001, between Riedman Corporation, as landlord, and the Registrant, as tenant (incorporated by reference to Exhibit 10b(3) to Form 10-K for the year ended December 31, 2001), and Lease for same office space at Riedman Tower, Rochester, New York, dated December 31, 2005, between Riedman Corporation, as landlord, and a subsidiary of the Registrant, as tenant (incorporated by reference to Exhibit 10.2(c) to Form 10-K for the year ended December 31, 2005).

- 10.2 Indemnity Agreement dated January 1, 1979, among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10g to Registration Statement No. 33-58090 on Form S-4).
- 10.3 Agency Agreement dated January 1, 1979 among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10h to Registration Statement No. 33-58090 on Form S-4).
- 10.4 Employment Agreement, dated as of July 29, 1999, between the Registrant and J. Hyatt Brown (incorporated by reference to Exhibit 10f to Form 10-K for the year ended December 31, 1999).
- 10.5 Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Jim W. Henderson (incorporated by reference to Exhibit 10m to Form 10-K for the year ended December 31, 1993).
- 10.6(a) Registrant's 2000 Incentive Stock Option Plan (incorporated by reference to Exhibit 4 to Registration Statement No. 333-43018 on Form S-8 filed on August 3, 2000).
- 10.6(b) Registrant's Stock Performance Plan (incorporated by reference to Exhibit 4 to Registration Statement No. 333-14925 on Form S-8 filed on October 28, 1996).
- 10.7 International Swap Dealers Association, Inc. Master Agreement dated as of December 5, 2001 between SunTrust Bank and the Registrant and letter agreement dated December 6, 2001, regarding confirmation of interest rate transaction (incorporated by reference to Exhibit 10p to Form 10-K for the year ended December 31, 2001).

- 10.8 Note Purchase Agreement, dated as of July 15, 2004, among the Company and the listed Purchasers of the 5.57% Series A Senior Notes due September 15, 2011 and 6.08% Series B Senior Notes due July 15, 2014. (incorporated by reference to Exhibit 4.1 to Form 10-Q for the quarter ended June 30, 2004).
- 10.9 First Amendment to Amended and Restated Revolving and Term Loan Agreement dated and effective July 15, 2004, by and between Brown & Brown, Inc. and SunTrust Bank (incorporated by reference to Exhibit 4.2 to Form 10-Q for the quarter ended June 30, 2004).
- 10.10 Second Amendment to Revolving Loan Agreement dated and effective July 15, 2004, by and between Brown & Brown, Inc. and SunTrust Bank (incorporated by reference to Exhibit 4.3 to Form 10-Q for the quarter ended June 30, 2004).
- 10.11 Revolving Loan Agreement Dated as of September 29, 2003, By and Among Brown & Brown, Inc. and SunTrust Bank (incorporated by reference to Exhibit 10a on Form 10-Q for the quarter ended September 30, 2003).
- 10.12 Amended and Restated Revolving and Term Loan Agreement dated January 3, 2001 by and between the Registrant and SunTrust Bank (incorporated by reference to Exhibit 4a to Form 10-K for the year ended December 31, 2000).
- 10.13 Extension of the Term Loan Agreement between the Registrant and SunTrust Bank (incorporated by reference to Exhibit 10b to Form 10-Q for the quarter ended September 30, 2000).
- 10.14 Master Shelf and Note Purchase Agreement Dated as of December 22, 2006, by and among Brown & Brown, Inc., and Prudential Investment Management, Inc. and certain Prudential affiliates as purchasers of the 5.66% Series C Senior Notes due December 22, 2016.
- 10.15 Second Amendment to Amended and Restated Revolving and Term Loan Agreement dated as of December 22, 2006, by and between Brown & Brown, Inc. and SunTrust Bank.
- 10.16 Third Amendment to Revolving Loan Agreement dated as of December 22, 2006, by and between Brown & Brown, Inc. and SunTrust Bank.
- 10.17 Third Amendment to Amended and Restated Revolving and Term Loan Agreement dated as of January 30, 2007 by and between Brown & Brown, Inc. and SunTrust Bank.
- 10.18 Fourth Amendment to Revolving Loan Agreement dated as of January 30, 2007 by and between Brown & Brown, Inc. and SunTrust Bank.
- 21 Subsidiaries of the Registrant.
- 23 Consent of Deloitte & Touche LLP.
- 24

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Powers of Attorney pursuant to which this Form 10-K has been signed on behalf of certain directors and officers of the Registrant.

- 31.1 Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer of the Registrant.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer of the Registrant.
- 32.1 Section 1350 Certification by the Chief Executive Officer of the Registrant.
- 32.2 Section 1350 Certification by the Chief Financial Officer of the Registrant.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BROWN & BROWN, INC.
Registrant

Date: March 1, 2007

By: /S/ J. Hyatt Brown

J. Hyatt Brown
Chief Executive Officer

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

Signature	Title	Date
* J. Hyatt Brown	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 1, 2007
* Jim W. Henderson	Vice Chairman and Chief Operating Officer, Director	March 1, 2007
* Cory T. Walker	Sr. Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2007
* Samuel P. Bell, III	Director	March 1, 2007
* Hugh M. Brown	Director	March 1, 2007
Bradley Currey, Jr.	Director	
* Theodore J. Hoepner	Director	March 1, 2007
* David H. Hughes	Director	March 1, 2007
* Toni Jennings	Director	March 1, 2007

* Director March 1, 2007
John R. Riedman

* Director March 1, 2007
Jan E. Smith

* Director March 1, 2007
Chilton D. Varner

*By: /S/ LAUREL L. GRAMMIG
Laurel L. Grammig
Attorney-in-Fact

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