Connecticut Green Bank – [Capital Provider]
C-PACE Third Party Capital Provider Term Sheet

The Connecticut Green Bank (the “Program Administrator” or “Green Bank”) hereby presents this term sheet, which summarizes the primary terms and conditions for the Program Administrator and [Capital Provider] (the “Capital Provider”), regarding originating, funding and administration C-PACE transactions for qualifying properties within the State of Connecticut (the “Term Sheet”).

This Term Sheet is intended as an outline of the key material terms of the originating, funding and administration relationship between the Program Administrator and the Capital Provider. Any agreement between the parties and/or commitment by the Program Administrator and the Capital Provider shall be effective only upon the execution of a model Benefit Assessment and Lien Assignment and Administration Agreement setting forth the terms of such agreement, in substantially the form attached hereto as Appendix B.

The transactions contemplated by this Term Sheet are subject to all necessary Program Administrator approvals, as directed by the Program Administrator’s bylaws, and Sections 16-245n and 16a-40g of the Connecticut General Statutes.

PROCESS FLOW AND OUTLINE FOR TRANSACTIONS CONTEMPLATED BY THIS TERM SHEET

As described in more detail below, the outline of the originating, funding and administration relationship between the Program Administrator, Property Owner and the Capital Provider, is as follows:

1. Capital Provider must be approved by and in good standing with Green Bank as a “Qualified Capital Provider” as described in the Program Guidelines.
2. Capital Provider must have entered into this Term Sheet.
3. Capital Provider or Property Owner may submit a completed C-PACE Application and all associated documents described in Capital Provider’s or Property Owner’s Obligations for any Eligible Project, as such terms are defined below.
4. Program Administrator shall review such documents and, in its sole discretion, provide Program Administrator Approval of the Eligible Project (thereby becoming an “Approved Project”).
5. Capital Provider may then enter into a Financing Agreement with Property Owner (thereby becoming a “Closed Project”).
6. Capital Provider shall enter into an Administration Agreement with the Program Administrator for such Closed Project.
7. Program Administrator would facilitate the filing, and assignment to Capital Provider, of Benefit Assessment.
8. Program Administrator will work with the Municipality to collect any payments received pursuant the Benefit Assessment and remit such payments to Capital Provider.
TRANSACTION PARTIES

Program Administrator: Connecticut Green Bank, a quasi-public agency of the State of Connecticut and statewide administrator of the Commercial Property Assessed Clean Energy Program (“C-PACE”) authorized by Section 16a-40g of the Connecticut General Statutes (the “Act”).

Capital Provider: The entity set forth above, which has secured or plans to secure the ability to fund transactions as described in this Term Sheet.

Technical Reviewer: A Technical Reviewer, as such term is defined in the Program Guidelines, which has been approved and in currently in good standing with the Program Administrator. Such Technical Reviewer may be a Technical Reviewer which has previously been approved by Program Administrator or Capital Provider may recommend a different individual/entity for Program Administrator’s approval in accordance with the Program Guidelines.

Technical Administrator: Any designee as determined from time to time by the Program Administrator in accordance with the Program Guidelines.

Program Administrator’s Servicer: Cortland Capital Market Services LLC, or any designee as determined from time to time by the Program Administrator.

Property Owner: The real property owner of any Qualifying Commercial Real Property (as defined in the Program Guidelines) to which an Eligible Project shall be affixed.

Municipality: Any Connecticut municipality in which an Eligible Project is located, and which municipality has entered into a legal agreement with the Program Administrator in order to participate in the C-PACE program.

PROJECT ORIGINATION, ELIGIBILITY AND APPROVAL

C-PACE Application: C-PACE program application published by the Program Administrator, as may be later amended, found on www.c-pace.com. To be completed for each Eligible Project by a Property Owner or Capital Provider, unless instructed otherwise by Program Administrator.
**Program Guidelines:** C-PACE program guidelines published by the Program Administrator, as may be amended from time to time, pursuant to the Act and as found on [www.c-pace.com](http://www.c-pace.com).

**Eligible Project:** Qualifying improvements, as described in the Act, which also comply with any applicable requirements of the Program Guidelines.

**Capital Provider’s or Property Owner’s Obligations:** Property Owner or Capital Provider (if authorized by Property Owner to do so) must provide the following documents to the Program Administrator for each Eligible Project seeking Program Administrator Approval:

1. Recent (within sixty days) title search of the real property on which Eligible Project would be located.
2. If applicable, a mortgage holder notice and consent form signed by the Property Owner and any mortgage holder(s) of any mortgage(s) on the property on which the Eligible Project is located. Program Administrator’s recommended mortgage holder notice and consent form may be found on [www.c-pace.com](http://www.c-pace.com), as may be modified from time to time by Program Administrator in its sole discretion. The Property Owner may use a different agreement, subject to Program Administrator review and approval, which shall not be unreasonably conditioned or delayed. Any mortgage holder consent must be for not less than the financing amount of the Eligible Project for which Property Owner is seeking Program Administrator Approval.
3. If applicable, copies of filed releases for any mortgages that appear on the title search but have since been released. Any releases which cannot be obtained must be addressed through a title affidavit acceptable to Program Administrator in its sole discretion.
4. A completed energy audit or feasibility study of the Eligible Project as described in the Program Guidelines.
5. Any documentation reasonably required by Program Administrator which demonstrates that the Eligible Project meets the SIR Requirement (as described below).
6. A disclosure of risk form signed by the Property Owner summarizing the risks to Property Owner for C-PACE financing the form of which may be found on [www.c-pace.com](http://www.c-pace.com), as may be modified from time to time by Program Administrator in its sole discretion.
7. Current assessor property card describing the property on which the Eligible Project is located and any additional documentation reasonably required by Program Administrator to confirm that the Eligible Project is located on a qualifying property pursuant to the Act and the Program Guidelines.
**SIR Requirement:**

Pursuant to the Act and the Program Guidelines, the energy cost savings associated with any Eligible Project’s energy improvements over the useful life of such improvements must exceed the costs of such improvements (i.e., a saving-to-investment ratio “SIR” greater than one), as more particularly described in the Program Guidelines. For each Eligible Project the Property Owner or Capital Provider must meet this SIR requirement in one of the following ways:

1. Submit energy audit and/or feasibility study and requisite supporting documentation to the Technical Administrator in the manner and format required by the Technical Administrator and with sufficient detail for it to perform the SIR review for such Eligible Project. Property Owner
2. Submit a report prepared by a Technical Reviewer and signed by such Technical Reviewer, or a Professional Engineer employed by such Technical Reviewer, together with the audit and/or feasibility study and requisite supporting documentation associated with such Eligible Project, to Program Administrator’s reasonable satisfaction. Such report must be submitted in the manner and format requested by the Program Administrator, in its reasonable discretion.
3. Submit Investor Ready Energy Efficiency certification from the Investor Confidence Project (“ICP”) and provide a letter from the ICP Quality Assurance Provider stating that the SIR for the project is greater than one.
4. If the Eligible Project includes third party-owned renewable energy system(s), submit the feasibility study and requisite supporting documentation associated such Eligible Project, deemed necessary I Program Administrator’s sole discretion, for Program Administrator to review such Eligible Project in accordance with the Program Guidelines. Such information must be submitted in the manner and format requested by the Program Administrator, in its reasonable discretion.

**Program Administrator’s Obligations:**

Program Administrator will continue to administer the C-PACE program as described in the Act and the Program Guidelines. Such responsibilities include:

1. Reviewing documents provided pursuant to Capital Provider’s or Property Owner’s Obligations and, in Program Administrator’s sole discretion, providing Program Administrator Approval.
2. Entering into legal agreements with any Connecticut municipality whose legislative body passes a resolution to participate in the C-PACE program.
3. Coordinating with municipalities in order to ensure that Benefit Assessment liens and assignments of such liens are filed in a timely manner.
4. Working with municipalities and the Program Administrator’s Servicer in collecting repayment of Benefit Assessments and remitting such payments to Benefit Assessment lienholders.

Program Administrator Approval:

Once Capital Provider or Property Owner has submitted all necessary documents described under Capital Provider’s or Property Owner’s Obligations for each Eligible Project, and submitted any additional documents which may be reasonably requested by Program Administrator, Program Administrator will review such documentation and confirm that it meets the requirement of the Act, Eligibility Criteria, Program Guidelines, SIR Requirement, Underwriting Guidelines (if applicable), this Term Sheet, and any documentation thereunder. Upon completion of such review, Program Administrator, in its sole discretion, will provide a signed approval to Property Owner or Capital Provider, which shall not be unreasonably withheld, for each Eligible Project in a reasonable time (thereby becoming an “Approved Project”).

BENEFIT ASSESSMENT FUNDING

Financing Agreement:

Once an Eligible Project has become an Approved Project, Capital Provider and Property Owner may enter into a financing agreement for the Approved Project (thereby becoming a “Closed Project”). Such financing agreement must contain terms and documentation consistent with this Term Sheet, the Administration Agreement, the Act, and the Program Administrator’s role and responsibilities in administering the C-PACE Program. The form of such financing agreement must be approved by Program Administrator in its reasonable discretion. Such financing agreement shall be secured by a Benefit Assessment as described below.

Administration Agreement:

The C-PACE Benefit Assessment and Lien Assignment and Administration Agreement in the form of Appendix B. Capital Provider and Program Administrator must enter into this agreement for every Closed Project.

Benefit Assessment:

Benefit assessments levied and filed pursuant to the Act and the interest, fees and any penalties thereon shall constitute a lien against the qualifying commercial real property on which they are made until they are paid. Such benefit assessment lien, shall be paid in installments and each installment payment shall be collected in the same manner as the property taxes of the participating municipality on real property, including, in the event of default or delinquency, with respect to any penalties, fees and remedies. Each such benefit assessment lien may be recorded and released in the manner provided for property tax liens and shall take precedence over all other liens or encumbrances except a lien for taxes of the municipality on
real property, which lien for taxes shall have priority over such benefit assessment lien, and provided that the precedence of such benefit assessment lien over any lien held by an existing mortgage holder shall be subject to the written consent of such existing mortgage holder. To the extent any benefit assessment lien installment is not paid when due, the benefit assessment lien may be foreclosed to the extent of any unpaid installment payments due and owing and any penalties, interest and fees related thereto. In the event a benefit assessment lien is foreclosed or a lien for taxes of the municipality on real property is foreclosed or enforced by levy and sale in accordance with chapter 204, the benefit assessment lien shall be extinguished solely with regard to any installments that were due and owing on the date of the judgment of such foreclosure or levy and sale and the benefit assessment lien shall otherwise survive such judgment or levy and sale to the extent of any unpaid installment payments of the benefit assessment secured by such benefit assessment lien that are due after the date of such judgment or levy and sale.

**Benefit Assessment Filing Process:**

Pursuant to the Administration Agreement for a Closed Project, the Program Administrator, upon receiving notice from the Capital Provider, will work with the municipality to file a Benefit Assessment on the property and assign the Benefit Assessment to the Capital Provider. Any costs to Program Administrator associated with filing the Benefit Assessment shall be paid by Capital Provider as described in the Administration Agreement.

Any amendments to the Benefit Assessment payment schedule which may need to be filed pursuant to the Financing Agreement and Administration Agreement must be provided to Program Administrator no less than 60 days before the real property tax billing cycle in which a payment is due pursuant to such Benefit Assessment.

**Collection Method:**

The Program Administrator’s Servicer will function as the master collection agent for the Benefit Assessment cash flows by collecting all Benefit Assessment payments from each municipal tax collector for deposit into the Concentration Account and subsequent disbursement to the Capital Provider, or its assignee, pursuant to the Administration Agreement.

**Concentration Account:**

That certain bank account, set up in Program Administrator’s name, which is used as the collection account for all C-PACE funds received by Program Administrator from all participating municipalities. The Program Administrator’s Servicer may be an authorized agent for this account and remit funds from such account to the appropriate Benefit Assessment lienholders.
PROGRAM ADMINISTRATOR COSTS

Program Administrator Costs: Program Administrator’s costs under this Term Sheet, shall be as follows:

1. Program Administration Fee of the lesser of 0.5% of the C-PACE Finance Amount in the Financing Agreement (less Capital Provider’s fees and project development passthrough costs) or $3,000, but no less than $500 per Closed Project.
2. $31/month to be paid by Capital Provider from the Benefit Assessment proceeds, as described in the Administration Agreement.
3. For evaluation of the SIR Requirement, to be paid by Capital Provider or Property Owner upon submission of energy audit/feasibility study and supporting documentation:
   a. If utilizing Energy & Resource Solutions (ERS) for retrofit projects:
      i. Solar PV-only project - $2,250
      ii. Up to four (4) energy efficiency measures project - $3,250
      iii. Solar PV plus up to four (4) energy efficiency measures project - $4,500
      iv. For each additional energy efficiency measure reviewed above and beyond 4 improvements - $650
   b. If utilizing Energy & Resource Solutions (ERS) for New Construction projects:
      i. Energy efficiency project - $6,000
      ii. Energy efficiency & solar PV project - $6,750
   c. If utilizing a Technical Reviewer or ICP Certification, then no fee is due to Program Administrator. Capital Provider should contract directly with the Technical Review, or ICP Quality Assurance Provider, for any SIR review service.
   d. If the project includes a third-party owned renewable energy system, the fee for such review will be negotiated with the Program Administrator.

Program Administrator’s costs described in this section are not exclusive and Program Administrator reserves the right to charge Capital Provider for additional costs and expenses associated with the administration of the C-PACE Program pursuant to the Act and the Program Guidelines.

CAPITAL PROVIDER’S FUNDING PROGRAM

Capital Provider’s Funding: If applicable, Capital Provider will provide, or cause to be provided, funding equipment to the Benefit Assessment amount after the execution of the Financing Agreement and consistent with the terms and conditions therein.
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<th><strong>Capital Provider’s Rate:</strong></th>
<th>If applicable, interest rates for the Capital Provider’s Funding will be determined by the Capital Provider</th>
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<td><strong>Term:</strong></td>
<td>Term of the Benefit Assessment will not exceed 25 years, or the weighted-average useful life of any Approved Project, whichever is less.</td>
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<td><strong>Closing Fees:</strong></td>
<td>The Capital Provider is able to charge closing fees at their discretion to the Property Owner.</td>
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<td><strong>Prepayment:</strong></td>
<td>Capital Provider may charge a prepayment penalty at its discretion.</td>
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<td><strong>Collections, Repayment and Amortization Schedule:</strong></td>
<td>Payments due pursuant to the Benefit Assessment shall be due in accordance with the payment schedule attached to the Benefit Assessment, such payment schedule shall match the property tax billing cycle of the Municipality. The Program Administrator’s municipal agreements give municipalities 30 days from the end of the month in which tax payments are received for the municipalities to remit assessment payments to the Concentration Account. Good funds which are received into the Concentration Account shall be remitted by Program Administrator or Program Administrator’s Servicer to the applicable Benefit Assessment lienholders within [5] business days, pursuant to the Administration Agreement.</td>
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<td><strong>Exclusivity:</strong></td>
<td>For any Property Owner of any Eligible Project for which the Capital Provider submits a C-PACE Application, the Program Administrator shall not enter into a C-PACE funding or finance agreement with such Property Owner for a period of six months (measured from the date of a complete submission of all documents outlined in Capital Provider’s or Property Owner’s Obligations). This section does not apply if (1) the same Property Owner requests Program Administrator funding or financing for a materially different Eligible Project, or (2) the Capital Provider fails to submit all necessary documents pursuant to Capital Provider’s or Property Owner’s Obligations for an Eligible Project within in a commercially reasonable time.</td>
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Representations: The Program Administrator shall represent, among other things, that the Administration Agreement, and the Benefit Assessment, comply with the Act and the Program Guidelines.

The Capital Provider shall represent, among other things, that any submitted Eligible Projects meet the requirements of the Program Guidelines, Administration Agreement, and this Term Sheet.

Indemnification: Capital Provider shall indemnify and hold harmless Program Administrator and any of its directors, officers, employees or agents, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses, taxes or disbursements of any kind or nature whatever (including attorneys' fees) which may be imposed on, incurred by or asserted against any of them in any way relating to or arising out of any action taken or omitted by either or any of them pursuant to a breach by Capital Provider of this Term Sheet and Administration Agreement, provided that Capital Provider shall not be liable to Program Administrator for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses or disbursements resulting from the gross negligence of willful misconduct of Program Administrator or any of its directors, officers, employees or agents.

Covenants: Key covenants of the Program Administrator and the Capital Provider include, but are not limited to:

1. Continuation as a legal entity.
2. Compliance with applicable laws.
3. Compliance with the terms of all transaction documents.
4. Compliance with reporting requirements.
5. Provision of all reasonably necessary assistance for the Technical Administrator and Program Administrator’s Servicer to perform its functions in a prudent manner.

Enabling Statute and State Contracting Provisions: The Parties are subject to the requirements outlined in Sections 16-245n and 16a-40g of the Connecticut General Statutes and Capital Provider and Capital Providers will be responsible for complying with applicable state contracting requirements. The transaction contemplated by this Term Sheet is subject to all necessary Program Administrator approvals, including approval of its board of directors.
CONNECTICUT GREEN BANK

Signature ____________________________
Name: Bryan Garcia
Title: President and CEO
Date:

[CAPITAL PROVIDER]

Signature ____________________________
Name:
Title: