C-PACE PROGRAM GUIDELINES

Version 5

Released: January 19, 2016

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OVERVIEW

In 2012, Connecticut passed legislation that gives property owners access to a new form of financing for building energy upgrades (Appendix A). Commercial & Industrial Property Assessed Clean Energy (C-PACE), is a financing program that allows Connecticut building owners to access cleaner, cheaper, and more reliable energy. The Connecticut Green Bank (“Green Bank”) was empowered by legislation to administer the program.

C-PACE allows property owners to access financing to undertake qualifying energy efficiency and clean energy improvements on their buildings and repay the investment through an additional charge (“assessment”) along with their property tax bill. Similar to a sewer assessment, capital provided under a C-PACE program is secured by a lien on the owner’s property and paid back over time. Like other benefit assessments, C-PACE is a non-accelerating, senior lien secured by the property. The repayment obligation transfers automatically to the next owner if the property is sold and in the event of default, only the payments in arrears come due. This arrangement spreads the cost of clean energy improvements – such as energy efficient boilers, upgraded insulation, new windows, or solar installations – over the expected life of the measure. Because the payment is tied to the property tax bill, a secure payment stream, C-PACE projects are seen as less risky than typical loans, and low interest capital can be raised from the private sector with little or no government financing required.

Benefit assessments are a familiar tool which municipalities levy on real estate parcels to finance projects including street paving, water and sewer systems, and street lighting. C-PACE builds on a long history of using such benefit assessments and serves a public purpose through reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs.

C-PACE is a proven and effective tool to attract private capital into the clean energy and energy efficiency market. It is available to Commercial and Industrial properties, as well as to multifamily properties with five or more units.

The following pages outline the Program Guidelines that will govern all program participants.
BENEFITS OF C-PACE

C-PACE offers multiple benefits to a broad range of stakeholders building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors.

For Building Owners: C-PACE helps minimize the up-front investment, installation, and performance risk of energy upgrades, while helping owners lower their operating costs, improve the value and market competitiveness of their asset, and comply with energy mandates. C-PACE does this in several ways:

- Many owners lack capital to do energy improvements. C-PACE provides up to 100% up-front, long-term financing to property owners for qualified energy upgrades. That means no money down. Audits, construction costs and M&V can be wrapped into C-PACE financing.
- Owners often want to sell the building before an energy upgrade loan is repaid. The C-PACE assessment obligation is attached to the property and transfers to the new owner. Payments do not accelerate in case of default.
- Many owners feel energy improvements do not yield an adequate return on investment. The C-PACE program requires that the energy savings from a project exceed the up-front investment and financing costs, leading projects to be cash flow positive over the useful life of the equipment. Deeper energy upgrades and savings are possible because assessments match the useful life of equipment, which for certain improvements can extend up to 25 years.
- Other owners are uncertain that energy savings will perform as advertised. C-PACE helps building owners understand their future energy savings by requiring that an energy audit and/or feasibility study be done to estimate energy savings and that a Commissioning, Measurement & Verification plan be in place to ensure that equipment is installed correctly and that energy consumption or production may be tracked by the owner over time.
- Owners need tenants to share in the costs of energy upgrades. As a benefit assessment repaid through the property tax bill, under typical leases, C-PACE payments – as well as energy savings – can be passed along to tenants.

For Energy Auditors and Contractors: The biggest barrier to converting leads to deals for energy upgrades is the lack of access to up-front financing. C-PACE solves this. By allowing a property owner to access 100% up-front financing for up to 25 years, deeper energy efficiency and clean energy improvements are now affordable. The demand for building energy improvements will grow in Connecticut and jobs will be created. The Green Bank also provides energy auditors and contractors access to training, market research, and marketing materials.

For Municipalities: C-PACE is an economic development tool for municipalities. Energy upgrades create a more competitive environment for retaining and attracting new businesses by lowering energy costs. Energy upgrades also create jobs and reduce greenhouse gases and other pollutants.

For Lenders: C-PACE has created a very secure, clean energy financing product for lenders. The security comes from its position similar to a tax lien on a property. The lien, like all public benefit assessments, sits in a senior position to other encumbrances on the property, including mortgage debt and liens other than municipal real property tax liens. The repayment is also tied to property taxes, which are a very secure stream of payment.
Finally, Connecticut statutes require C-PACE approved projects to have a “Savings to Investment Ratio” (SIR) greater than 1, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs, over the lifetime of the measures. Connecticut streamlined the C-PACE program by establishing a single statewide C-PACE program administered by the Green Bank. Connecticut’s C-PACE maintains an open market approach to its C-PACE program, encouraging private capital to be the primary financier of these assessments and supporting building owners who wish to source their own C-PACE lender (see C-PACE OPEN MARKET AND ELIGIBILITY CRITERIA FOR C-PACE CAPITAL PROVIDERS section). Additionally, the Green Bank currently has dedicated capital to invest in C-PACE projects. At certain intervals through the year, the Green Bank may “sell-down” its portfolio of C-PACE transactions to qualified Capital Provider(s) (as defined herein) who desire to be the secondary financiers of these assessments. The sell-down process replenishes the Green Bank’s capital, enabling a sustainable source of funding for C-PACE projects.

For Mortgage Holders: The structure of C-PACE allows participating buildings to pay for improvements to their property out of the savings the project creates. Connecticut statutes require C-PACE approved projects to have a SIR greater than 1, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs, over the lifetime of the measures. The Green Bank has instituted technical underwriting standards for C-PACE that provide a robust framework for measuring SIR (Appendix E), which all C-PACE Projects must meet. Under the C-PACE financing structure, the building should experience increased net operating income, often an immediate return on investment, and as a consequence becomes more attractive to current and potential tenants and future buyers. Additionally, C-PACE Assessments do not accelerate. In the event of a foreclosure of the property for any reason, only the amount of the C-PACE assessment currently due and/or in arrears, a relatively small proportion of the entire C-PACE assessment, would come due. In the event of a property sale, C-PACE assessments automatically transfer to the new property owner unless the buyer or seller decides to prepay the assessment. Finally, the Connecticut statute require that property owners receive the written consent of their existing mortgage holder before being eligible for C-PACE financing (Appendix C). Mortgage lenders will be at the table helping to determine whether a property can undertake this voluntary assessment.
STATUTORY AND PROGRAMMATIC REQUIREMENTS UNDER C-PACE

C-PACE was established through Public Act 12-2 (PA 12-2) on June 15, 2012 (Appendix A). There are four major features of the C-PACE legislation that govern the program.

1. Mortgage Lender Consent

The Green Bank’s C-PACE program requires that the property owner receive consent of the mortgage holder before they can obtain financing. There are many benefits for a mortgage holder to consent to a C-PACE assessment obtaining a senior position to their mortgage (See BENEFITS OF C-PACE section).

2. Building Eligibility

In order to be eligible for C-PACE financing, the property seeking financing must meet the following requirements:

- A property must be located within the boundaries of a municipality that has adopted a resolution supporting the C-PACE program and signed a legal agreement with the Green Bank.
- The applicant must provide evidence that it is the legal owner of the property, and all the legal owners of such property agree to participate.
- The property must be a nonresidential property. Multifamily properties containing five dwelling units or more are eligible.
- The property must have a property tax identification number. For building owners who are exempt from property tax liability, the municipality must agree to issue a property tax ID for collection purposes. Non-profit buildings with a property tax ID number may be eligible in certain cases where a participating municipality issues that non-profit entity a property tax bill.
- The property owner must provide evidence that the mortgage holder (or holders) on the property consents to the C-PACE assessment.
- A disclosure of risk form signed by the property owner summarizing the risks to the property owner for C-PACE financing, as may be modified from time to time by the Green Bank in its sole discretion.

3. Project Eligibility

C-PACE transactions eligible for financing must meet the following requirements:

- An energy audit or feasibility study must be completed.
- Upgrades must lower the energy consumption of the building or enable the building to produce clean energy.
• Upgrades must be “permanently affixed” to the property; with the exception of district heating and cooling systems and microgrids. The measures proposed for the project must be permanently fixed to the property (i.e. the C-PACE improvements cannot be removed from the property in the event of a change of ownership), or associated with a district heating or cooling system or microgrids (Appendix E).

• The term of the C-PACE assessment must not exceed the weighted average expected useful life ("EUL") of the measures. EUL is determined through the energy audit and approved by C-PACE’s Technical Administrator ("Technical Administrator"), or a Technical Reviewer ("Reviewer") as well as the Green Bank in its sole discretion. Regardless of a project’s EUL, the term of the C-PACE assessment may not exceed 25 years unless approved in writing by the Green Bank.

• All energy measures together must meet a SIR of greater than 1, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs over the full term of the C-PACE assessment, over the useful life of the measures. A complete technical review of the proposed C-PACE project will be undertaken by the Green Bank’s Technical Administrator, or a Reviewer approved by the Green Bank in its sole discretion, to confirm the accuracy of the estimated projected savings and the computation of this ratio (Appendix E).

• All C-PACE transactions require the approval of the Green Bank, as the statewide administrator of the C-PACE Program.

4. Statewide Program – Municipalities Opt in

C-PACE is a statewide program administered by the Green Bank. Municipalities interested in extending this type of financing to their property owners must opt in to the statewide program by passing a resolution through their legislative body and entering into a Legal Agreement with the Green Bank (Appendix B).
TECHNICAL STANDARDS OVERVIEW

The Technical Administrator is responsible for ensuring that all C-PACE applications meet the statutory requirements for project eligibility. The Technical Administrator has drafted Technical Standards to qualify eligible energy upgrades. The following provides a summary of the technical review process. Please refer to the full C-PACE Technical Standards (Appendix E) for a full description of audit requirements, technical review methodology and standards, eligible and ineligible measures, and energy savings insurance information.

1. Defining a Scope of Work

Building owners should work with a qualified energy auditor and/or contractor with demonstrated experience to define a scope of work for saving energy in their building. This scope can range from installation of a single energy conservation measure (ECM), such as a new high efficiency boiler or a renewable energy system, to a whole building energy upgrade involving multiple, interactive ECMs. A general list of eligible ECMs and their typical energy saving characteristics can be found in the full Technical Standards document (Appendix E).

2. C-PACE Application Requirements

Upon receipt of an initial application and confirmation of the property’s eligibility, Green Bank will then notify eligible applicants to submit a full application (See C-PACE APPLICATION SUBMISSION & REVIEW PROCESS section).

Applications must be prepared and submitted by an energy engineer or by a team including an energy engineer. An energy engineer is defined as a professional holding a Certified Energy Manager (CEM) or Certified Energy Auditor (CEA) accreditation, a Professional Engineer (PE) with demonstrated relevant energy experience, or a contractor with relevant demonstrated experience as determined by the Technical Administrator. Applications require the applicant to conduct an energy audit or renewable energy feasibility study. For all projects involving the installation of ECMs, depending on project type, size and complexity, the energy audit may range from a simple walkthrough of the building to an investment grade audit.¹ The energy engineer will determine the minimum required energy audit level consistent with the C-PACE program technical standards. The audit should identify the building’s representative baseline energy use, identify and recommend ECMs, estimate the useful life of each ECM, determine total project capital cost and the projected energy savings that can be confidently achieved, evaluate key financial metrics, and provide an energy savings equipment commissioning (Cx) and measurement and verification (M&V) plan. All projects involving a renewable energy system are required to complete a Renewable Energy Feasibility Study (Appendix F).

When an energy audit and/or renewable energy feasibility study has been completed, the applicant will be able to complete an Excel-based form, furnished by the Technical Administrator, which accepts information on:

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¹ Connecticut utilities may provide what can be considered an ASHRAE Level I audit at no cost to applicants. The Connecticut Green Bank can provide applicants referrals to qualified energy auditors to do higher level audits, the costs of which may be included in C-PACE financing.
• Building type, gross square footage, occupancy and operating hours
• Building utility cost and energy consumption
• ECMs
  o Name/Description
  o Expected Start (installation) and completion date
  o EUL
  o Estimated implementation cost
  o Projected annual savings
  o Electricity demand and consumption impact (existing & proposed per unit)
  o Fuel consumption impact (existing & proposed per unit)
  o Water consumption impact (existing & proposed per unit)
  o Renewable energy produced (if applicable)
  o Rebates/incentives (if known)
  o Tax incentives/credits (if known).

For project applications submitted to the Green Bank for C-PACE financing, the data in this form, along with all other supporting project documents (e.g., the energy audit, manufacturer’s ECM/renewable energy system cut sheets, or building modeling results) will be entered into a web-based C-PACE Data Management Platform (CDMP). This database supports the technical and financial underwriting process required to meet the reporting requirements of the multiple interdependent stakeholders, including but not limited to Green Bank management, mortgage holders, building owners/managers, and capital providers and/or insurers.

For projects submitted to a qualified Capital Provider for C-PACE financing, the data along with all other supporting project documents may be entered into the CDMP or provided to the Green Bank in an alternative form; see the Summary of Terms and Conditions for Origination, Funding and Administration of C-PACE Transactions (“Standard Offer”) (Appendix H) for details. **ALL PROJECT APPLICATIONS REGARDLESS OF CAPITAL PROVIDER** must include the information and abide by the standards described in these C-PACE Program Guidelines; all project applications will be reviewed by the Technical Administrator, or a Reviewer approved by the Green Bank in its sole discretion.

3. **Technical Review**

The Technical Administrator and/or approved Reviewer will conduct a Technical Review, the purpose of which is to validate the reasonableness of project costs and energy savings projections. The Technical Administrator and/or approved Reviewer will also confirm the SIR of the project and verify that it is greater than 1. SIR means the ratio of (x) avoided energy costs plus project revenues, including all ancillary value streams such as environmental incentives and tax benefits, earned over the EUL of the ECMs to (y) projected debt service due in respect of the C-PACE financing – including all principal, interest, and any fees over the term of the financing – as well as fixed or variable costs associated with the maintenance or performance of the ECMs over their EUL.

Further:

• EUL for each ECM is determined through the energy audit and approved by the Technical Administrator and/or Reviewer. Both costs and savings for each ECM will be calculated over the EUL of that ECM.
• The C-PACE financing term may not exceed the EUL of the installed ECMs. For projects with multiple ECMs, a weighted average EUL will be calculated.
• Regardless of a project’s weighted average EUL, C-PACE financing terms may not exceed 25 years unless approved in writing by the Green Bank.

In addition, the methodology for tracking energy savings over an agreed upon term will be reviewed, thereby verifying for project stakeholders the extent to which projected energy savings are being achieved in an ongoing fashion.

Technical Review consists of four tasks:

1) Establish the building’s representative energy consumption baseline,

2) Provide third-party technical review of the project including validation of the reasonableness of projected energy savings;

3) Confirm that an adequate commissioning plan exists; and

4) Confirm that an adequate M&V plan exists to assess the effectiveness of the energy conservation measures and/or renewable energy system after project completion.

The first two tasks are necessary to determine the SIR on the project and verify that it is greater than 1. The third task ensures a property owner and the contractor have planned to confirm the correct installation and operational performance of the installed measures. The last task ensures that the property owner and the contractor have planned to evaluate the energy savings effectiveness of the measures after they have been installed.

The Technical Administrator has developed a methodology for this technical review process, which relies upon three established industry protocols:

**Baseline Energy Use:** ASTM E2797-15, Building Energy Performance Assessment (BEPA) Standard directed at data collection and baseline calculations for the energy audit;

**ECM & Energy Savings:** ASHRAE Level I, Level II and Level III Energy Audit Guidelines;

**Measurement and Verification:** International Performance Measurement and Verification Protocol (IPMVP) providing guidance for measurement and verification of the energy savings.

The Technical Administrator will qualify the proposed ECMs and validate the projected energy savings consistent with these protocols and, in conjunction with the applicant, will confirm a baseline financing scenario that meets the SIR >1 criteria.
4. **Measurement & Verification**

In order to evaluate the energy savings effectiveness of projects after they have been installed, all project applications are required to include a Cx and M&V plan to ensure that the property owner is in a position to collect energy consumption and/or clean energy production data.

The Green Bank requires C-PACE applicants to develop an M&V plan consistent with guidance provided by the International Performance Measurement and Verification Protocol (IPMVP) or propose an alternative methodology as appropriate for the project size and ECMs installed. The Green Bank may elect to facilitate M&V on projects submitted to the Green Bank for financing. Property owners and/or qualified Capital Providers may request M&V services from the Green Bank – see Standard Offer (Appendix H). M&V activities may be financed as an eligible measure under the C-PACE program.
C-PACE OPEN MARKET AND ELIGIBILITY CRITERIA FOR C-PACE CAPITAL PROVIDERS

Concept of ‘Open Market’

Connecticut maintains an “open market” approach to its C-PACE program, encouraging Capital Providers to be the primary financier of these assessments and supporting building owners who wish to source their own Capital Provider. For Capital Providers wishing to directly offer C-PACE Financing, the Green Bank has created a standard term sheet, the Standard Offer, which outlines the key material terms of the relationship between the Capital Provider and the Green Bank as the program administrator (Appendix H). This also includes an offer for a credit enhancement from the Green Bank to fund C-PACE transactions. Qualifying Capital Providers may execute this term sheet with the Green Bank.

Additionally, the Green Bank currently maintains dedicated capital to finance C-PACE projects. Pursuant to Requests for Proposals, the Green Bank may “sell-down” portfolios of its C-PACE transactions to qualified Capital Provider(s) who desire to be the secondary or co-financiers of these assessments. The sell-down process replenishes or leverages the Green Bank’s capital, enabling a sustainable source of funding for C-PACE projects. Capital Providers must be qualified by the Green Bank to receive information about and participate in these activities.

The ‘open market’ program offers multiple financing options to building owners, enabling the Green Bank to achieve its mission of making financing accessible and affordable.

Qualified Capital Provider

Any lender interested in offering C-PACE financing must become a qualified Capital Provider through the C-PACE Program. The process for becoming a C-PACE qualified Capital Provider is as follows:

1. The interested Capital Provider must respond to the open C-PACE Request for Qualifications from Interested Capital Providers in order to become registered on the Green Bank’s list of qualified Capital Providers. The link outlines the details of all requirements and process to be considered by the Green Bank.

2. Upon approval, the lender will be considered a qualified Capital Provider. Qualified Capital Providers are listed on the C-PACE website and receive information from the Green Bank regarding financing opportunities as well as pertinent information about the Program. Qualified Capital Providers wishing to directly offer C-PACE financing must also execute the Standard Offer term sheet.

Standard Offer

Capital Providers should execute the Standard Offer ONLY if they anticipate directly offering C-PACE financing to property owners, or known as the Borrower, in Connecticut. The Standard Offer outlines the key material terms of the relationship between the Capital Provider, the Green Bank, and the Borrower. In summary, the process for project origination, funding and administration is as follows:
1. Capital Provider or Borrower may submit a completed C-PACE Application and all associated documents described in Capital Provider’s or Borrower’s Obligations for any Eligible Project, as such terms are defined in the Standard Offer.

2. Green Bank shall review such documents and, in its sole discretion, provide Green Bank Approval of the Eligible Project (thereby becoming an “Approved Project”).

3. Capital Provider may then enter into a Financing Agreement with Borrower (thereby becoming a “Closed Project”).

4. Capital Provider shall enter into an Administration Agreement with the Green Bank for such Closed Project, with a Credit Enhancement if applicable.

5. Green Bank will facilitate the filing and assignment to Capital Provider of Benefit Assessment.

6. Green Bank will work with the Municipality to collect any payments received pursuant the Benefit Assessment and remit such payments to Capital Provider.

Each Capital Provider, including the Green Bank, maintains its own financial underwriting criteria and financing terms and conditions for a C-PACE transaction. Borrowers may find the financing terms and conditions for the Green Bank’s capital facility, as well as contact information for qualifying Capital Providers, here. Qualified Capital Providers seeking credit enhancement support from the Green Bank should contact the Green Bank directly regarding its underwriting criteria for such transactions.
C-PACE APPLICATION SUBMISSION & REVIEW PROCESS

The process for a property owner to access C-PACE financing is summarized below.

1. Initial Application

An interested property owner, contractor, consultant, ESCO submits an initial application on the C-PACE website: [www.c-pace.com](http://www.c-pace.com). The Green Bank reviews initial application. Applicants receive a response within 1 week to identify missing information, to confirm that the property is eligible for C-PACE, and to provide instructions to complete the application. Applicant is responsible for providing all information and documentation required in the initial application.

2. Full Application: Financial & Technical Review

If the Green Bank’s review of the initial application suggests that the property is eligible, applicants are then invited to submit a full application to either the Green Bank or a qualified Capital Provider, consisting of the documentation required in the Technical Standards of the C-PACE Program Guidelines and any other documentation required by the Capital Provider or Green Bank for purposes of their underwriting. At this time, the Capital Provider or Green Bank will put the contractor on the project in touch with the C-PACE Technical Administrator and/or approved Reviewer to review and approve the proposed energy conservation measures. Meanwhile, the Capital Provider or Green Bank will work with the building owner to conduct a financial review.

3. Mortgage Holder Consent

Proposed C-PACE transactions that have completed C-PACE technical review are presented to all existing mortgage lenders using the standard Request for Lender Consent form (Appendix C). The Capital Provider works with the building owner to engage the mortgage lender and notify them that their consent will be needed.

4. Application Approval

For projects submitted to the Green Bank for financing, the Green Bank may approve the project for its financing and will also confirm that the project meets all statutory and programmatic requirements. For projects financed by a qualified Capital Provider, the Capital Provider may approve the project for its financing; the Green Bank will provide notice of approval that the project has met all statutory and programmatic requirements upon receipt of all requisite materials in the Standard Offer (Appendix H). In summary, these are:
• Recent (within sixty days) title search of the real property on which Eligible Project would be located.
• If applicable, a mortgage holder consent form signed by the Borrower and any mortgage holder(s) of any mortgage(s) on the property on which the Eligible Project is located. The mortgage holder consent shall be materially consistent with the form of Appendix C, and such consent must be for not less than the financing amount of the Eligible Project for which Borrower is seeking Green Bank Approval.
• 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 Green Bank in its sole discretion.
• A completed energy audit or feasibility study of the Eligible Project as described in the Program Guidelines.
• Any documentation reasonably required by Green Bank which demonstrates that the Eligible Project meets the SIR Requirement.
• A disclosure of risk form signed by the Borrower summarizing the risks to Borrower for C-PACE financing in the form of Appendix C, as may be modified from time to time by Green Bank in its sole discretion.
• A current assessor property card describing the property on which the Eligible Project is located and any additional documentation reasonably required by Green Bank to confirm that the Eligible Project is located on a qualifying property pursuant to the Act and the Program Guidelines.

5. Financing Agreement Between Borrower and Capital Provider

Based upon Capital Provider and Green Bank’s approval, the Capital Provider will enter into a financing agreement with the Borrower to implement the project. Each Capital Provider may determine the interest rate, term, and any fees for a C-PACE project that Capital Provider finances; however the term of the C-PACE financing cannot exceed the weighted average EUL of the energy measures installed. For projects financed by a qualified Capital Provider, the Capital Provider’s financing agreement must contain terms and documentation consistent with the Standard Offer (Appendix H) and the C-PACE Statute (Appendix A) and must include a standard rider setting forth the Green Bank’s role and responsibilities in administering the C-PACE Program. The form of such financing agreement must be approved by Green Bank in its reasonable discretion.

6. Assessment, Repayment, and Measurement & Verification

The Green Bank will facilitate the filing and assignment of the C-PACE Benefit Assessment Lien to the Capital Provider. Over the term of the assessment, the property owner will receive a bill in the same manner as real property taxes and will submit payments in the same manner as payments for real property taxes to the municipality in which the property is located. The Green Bank will work with the Municipality to collect any payments received pursuant the Benefit Assessment and remit such payments to Capital Provider.

For the purposes of the C-PACE benefit assessment lien, the Green Bank and any future successors, assigns or heirs of such lien shall be bound by and irrevocably subordinated to any environmental land use restriction recorded on the land records of the Municipality pursuant to Conn. Gen. Stat.§ 22a-133o after the C-PACE benefit assessment lien is filed on the land records of the Municipality.
Measurement & Verification (M&V) term and reporting frequency shall be determined by the project stakeholders based on the type and complexity of the installed measures, per the Technical Standards (Appendix E).
ABOUT THE CONNECTICUT GREEN BANK

The Green Bank was created by the Connecticut General Assembly in 2011. It is the successor organization to the Connecticut Clean Energy Fund. The Green Bank’s mission is to promote, develop and invest in clean energy and energy efficiency projects in order to strengthen Connecticut’s economy, protect community health, improve the environment, and promote a secure energy supply for the state. The Green Bank is governed by an 11-member board of directors appointed by the governor and the leadership of the State Legislature. As the nation’s first full-scale clean energy finance authority, the Green Bank leverages public and private funds to drive investment and scale up clean energy deployment in Connecticut. For more information on the Green Bank, please visit www.ctgreenbank.com.

Contact Information

Visit our website at www.cpace.com

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Appendix A:  C-PACE LEGISLATION

Connecticut General Statutes Section 16a-40g. Commercial sustainable energy program.

(a) As used in this section:

(1) “Energy improvements” means (A) participation in a district heating and cooling system by qualifying commercial real property, (B) participation in a microgrid, as defined in section 16-243y, including any related infrastructure for such microgrid, by qualifying commercial real property, provided such microgrid and any related infrastructure incorporate clean energy, as defined in section 16-245n, (C) any renovation or retrofitting of qualifying commercial real property to reduce energy consumption, (D) installation of a renewable energy system to service qualifying commercial real property, or (E) installation of a solar thermal or geothermal system to service qualifying commercial real property, provided such renovation, retrofit or installation described in subparagraph (C), (D) or (E) of this subdivision is permanently fixed to such qualifying commercial real property;

(2) “District heating and cooling system” means a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings;

(3) “Qualifying commercial real property” means any commercial or industrial property, regardless of ownership, that meets the qualifications established for the commercial sustainable energy program;

(4) “Commercial or industrial property” means any real property other than a residential dwelling containing less than five dwelling units;

(5) “Benefited property owner” means an owner of qualifying commercial real property who desires to install energy improvements and provides free and willing consent to the benefit assessment against the qualifying commercial real property;

(6) “Commercial sustainable energy program” means a program that facilitates energy improvements and utilizes the benefit assessments authorized by this section as security for the financing of the energy improvements;

(7) “Municipality” means a municipality, as defined in section 7-369;

(8) “Benefit assessment” means the assessment authorized by this section;

(9) “Participating municipality” means a municipality that has entered into a written agreement, as approved by its legislative body, with the bank pursuant to which the municipality has agreed to assess, collect, remit and assign, benefit assessments to the bank in return for energy improvements for benefited property owners within such municipality and costs reasonably incurred in performing such duties;

(10) “Bank” means the Connecticut Green Bank; and

(11) “Third-party capital provider” means an entity, other than the bank, that provides loans directly to benefited property owners for energy improvements.
(b) (1) The bank shall establish a commercial sustainable energy program in the state, and in furtherance thereof, is authorized to make appropriations for and issue bonds, notes or other obligations for the purpose of financing, (A) energy improvements; (B) related energy audits; (C) renewable energy system feasibility studies; and (D) verification reports of the installation and effectiveness of such improvements. The bonds, notes or other obligations shall be issued in accordance with legislation authorizing the bank to issue bonds, notes or other obligations generally. Such bonds, notes or other obligations may be secured as to both principal and interest by a pledge of revenues to be derived from the commercial sustainable energy program, including revenues from benefit assessments on qualifying commercial real property, as authorized in this section.

(2) When the bank has made appropriations for energy improvements for qualifying commercial real property or other costs of the commercial sustainable energy program, including interest costs and other costs related to the issuance of bonds, notes or other obligations to finance the appropriation, the bank may require the participating municipality in which the qualifying commercial real property is located to levy a benefit assessment against the qualifying commercial real property especially benefited thereby.

(3) The bank (A) shall develop program guidelines governing the terms and conditions under which state and third-party financing may be made available to the commercial sustainable energy program, including, in consultation with representatives from the banking industry, municipalities and property owners, developing the parameters for consent by existing mortgage holders and may serve as an aggregating entity for the purpose of securing state or private third-party financing for energy improvements pursuant to this section, (B) shall establish the position of commercial sustainable energy program liaison within the bank, (C) may establish a loan loss reserve or other credit enhancement program for qualifying commercial real property, (D) may use the services of one or more private, public or quasi-public third-party administrators to administer, provide support or obtain financing for the commercial sustainable energy program, (E) shall adopt standards to ensure that the energy cost savings of the energy improvements over the useful life of such improvements exceed the costs of such improvements, and (F) may encourage third-party capital providers to provide loans directly to benefited property owners in lieu of or in addition to the bank providing such loans.

(c) Before establishing a commercial sustainable energy program under this section, the bank shall provide notice to the electric distribution company, as defined in section 16-1, that services the participating municipality.

(d) If a benefited property owner requests financing from the bank or a third-party capital provider for energy improvements under this section, the bank shall:

(1) Require performance of an energy audit or renewable energy system feasibility analysis on the qualifying commercial real property that assesses the expected energy cost savings of the energy improvements over the useful life of such improvements before approving such financing;

(2) If financing is approved, either by the bank or the third-party capital provider, require the participating municipality to levy a benefit assessment on the qualifying commercial real property with the property owner in a principal amount sufficient to pay the costs of the energy improvements and any associated costs the bank or the third-party capital provider determines will benefit the qualifying commercial real property;

(3) Impose requirements and criteria to ensure that the proposed energy improvements are consistent with the purpose of the commercial sustainable energy program;
(4) Impose requirements and conditions on the financing to ensure timely repayment, including, but not limited to, procedures for placing a lien on a property as security for the repayment of the benefit assessment; and

(5) Require that the property owner provide written notice, not less than thirty days prior to the recording of any lien securing a benefit assessment for energy improvements for such property, to any existing mortgage holder of such property, of the property owner’s intent to finance such energy improvements pursuant to this section.

(e) (1) The bank or the third-party capital provider may enter into a financing agreement with the property owner of qualifying commercial real property. After such agreement is entered into, and upon notice from the bank, the participating municipality shall (A) place a caveat on the land records indicating that a benefit assessment and a lien are anticipated upon completion of energy improvements for such property, or (B) at the direction of the bank, levy the benefit assessment and file a lien on the land records based on the estimated costs of the energy improvements prior to the completion or upon the completion of such improvements.

(2) The bank or the third-party capital provider shall disclose to the property owner the costs and risks associated with participating in the commercial sustainable energy program established by this section, including risks related to the failure of the property owner to pay the benefit assessment. The bank or the third-party capital provider shall disclose to the property owner the effective interest rate of the benefit assessment, including fees charged by the bank or the third-party capital provider to administer the program, and the risks associated with variable interest rate financing. The bank or the third-party capital provider shall notify the property owner that such owner may rescind any financing agreement entered into pursuant to this section not later than three business days after such agreement.

(f) The bank or the third-party capital provider shall set a fixed or variable rate of interest for the repayment of the benefit assessment amount at the time the benefit assessment is made. Such interest rate, as may be supplemented with state or federal funding as may become available, shall be sufficient to pay the bank's financing and administrative costs of the commercial sustainable energy program, including delinquencies.

(g) Benefit assessments levied pursuant to this section 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 lien, or if the financing agreement provides that the benefit assessments shall be paid in installments then 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 lien may be recorded and released in the manner provided for property tax liens and, subject to the consent of existing mortgage holders, 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. To the extent benefit assessments are paid in installments and any such installment is not paid when due, the benefit assessment lien may be foreclosed to the extent of any unpaid installment payments and any penalties, interest and fees related thereto. In the event such benefit assessment lien is foreclosed, such benefit assessment lien shall survive the judgment of foreclosure to the extent of any unpaid installment payments of the benefit assessment secured by such benefit assessment lien that were not the subject of such judgment.

(h) Any participating municipality may assign to the bank any and all liens filed by the tax collector, as provided in the written agreement between the participating municipality and the bank. The bank may sell or assign, for consideration, any and all liens received from the participating municipality. The consideration received by the bank shall be negotiated between the bank and the assignee. The assignee or assignees of such liens shall have and possess
the same powers and rights at law or in equity as the bank and the participating municipality and its tax collector would have had if the lien had not been assigned with regard to the precedence and priority of such lien, the accrual of interest and the fees and expenses of collection. The assignee shall have the same rights to enforce such liens as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys' fees incurred by the assignee as a result of any foreclosure action or other legal proceeding brought pursuant to this section and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the assignee at any time after demand for payment has been made by the assignee.
Appendix B: THE CONNECTICUT GREEN BANK AND MUNICIPALITY AGREEMENT

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (“C-PACE”) AGREEMENT

THIS AGREEMENT is made and entered into as of the ____ day of __________, 2016, by and between [TOWN NAME], CONNECTICUT, a municipal corporation organized and existing under the laws of the State of Connecticut (the “Municipality”), and the CONNECTICUT GREEN BANK, a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, Connecticut 06067 (the “Green Bank”).

RECITALS

WHEREAS, Commercial Property Assessed Clean Energy (“C-PACE”) is a program to facilitate loan financing for clean energy improvements to commercial properties by utilizing a state or local assessment mechanism to provide security for repayment of the loans.

WHEREAS, section 16a-40g, as amended, of the Connecticut General Statutes (the “Act”) established the C-PACE program in Connecticut.

WHEREAS, subsection (b)(1) of the Act directs the Green Bank to establish a commercial sustainable energy program, and authorized the Green Bank to make appropriations for and issue bonds, notes or other obligations to finance the program costs. A commercial sustainable energy program is a program that facilitates energy improvements to commercial or industrial property and utilizes municipal benefit assessments authorized by the Act as security for financing the energy improvements.

WHEREAS, to secure financing for the program, the Green Bank and the Municipality are authorized to enter into a written agreement, as approved by the Municipality’s legislative body, pursuant to which the Municipality has agreed to assess, collect, remit and assign, benefit assessments to the Green Bank in return for energy improvements for benefited property owners within the Municipality and for costs reasonably incurred by the Municipality in performing such duties.

WHEREAS, this Agreement constitutes the written agreement authorized by the Act.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein and in order to effectuate the purposes of the Act, it is hereby agreed as follows:

Section 1 - Definitions.

(a) "Energy improvements" means (A) participation in a district heating and cooling system by qualifying commercial real property, (B) participation in a microgrid, as defined in section 16-243y, including any related infrastructure for such microgrid, by qualifying commercial real property, provided such microgrid and any related infrastructure incorporate clean energy, as defined in section 16-245n, as amended by this act, (C) any renovation or retrofitting of qualifying commercial real property to reduce energy consumption, (D) installation of a renewable energy system to service qualifying commercial real property, or (E) installation of a solar thermal or geothermal system to service qualifying commercial real
property, provided such renovation, retrofit or installation described in subparagraph (C), (D) or (E) of this subdivision is permanently fixed to such qualifying commercial real property.

(b) "District heating and cooling system" means a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings.

c) "Qualifying commercial real property" means any commercial or industrial property, regardless of ownership, that meets the qualifications established for the commercial sustainable energy program.

d) "Commercial or industrial property" means any real property other than a residential dwelling containing less than five dwelling units.

e) "Benefited property owner" means an owner of qualifying commercial real property who desires to install energy improvements and provides free and willing consent to the benefit assessment against the qualifying commercial real property.

(f) "Commercial sustainable energy program" means a program that facilitates energy improvements and utilizes the benefit assessments authorized by this Agreement as security for the financing of the energy improvements.

g) "Benefit assessment" means the assessment authorized by the Act.

Section 2 - Obligations of the Green Bank.

(a) Program Requirements. Pursuant to the Act, the Green Bank:

(1) Shall develop program guidelines governing the terms and conditions under which state financing may be made available to the commercial sustainable energy program, including, in consultation with representatives from the banking industry, municipalities and property owners, developing the parameters for consent by existing mortgage holders and may serve as an aggregating entity for the purpose of securing state or private third-party financing for energy improvements pursuant to the Act;

(2) Shall receive and review applications submitted by benefitted property owners within the Municipality for financing of energy improvements, and approve or disapprove such applications in accordance with underwriting procedures and requirements established by the Green Bank;

(3) Shall prepare and deliver to the Municipality an annual report which shall contain information related to each qualifying commercial real property within the Municipality, including:

   i. A list of each qualifying commercial real property for which the benefitted property owner executed a financing agreement during the prior year;

   ii. A list of each qualifying commercial real property where all obligations under the financing agreement have been satisfied or paid in full during the prior year, including the satisfaction date and a copy of the notice of satisfaction;

   iii. The total benefit assessment payments made to the Green Bank in respect of all qualifying commercial real properties; and
iv. For each non-satisfied (not paid in full) benefit assessment (including each benefit assessment approved in the prior year):

   A. The date of the financing agreement;
   B. The outstanding amount of the financing;
   C. The total principal balance and accrued interest outstanding; and
   D. The annual payment(s) due to the Green Bank (which shall include principal and accrued interest) associated with such benefit assessment (including the amount of accrued interest on the initial payment, if different).

(4) Shall establish the position of commercial sustainable energy program liaison within the Green Bank;

(5) Shall establish a loan loss reserve or other credit enhancement program for qualifying commercial real property;

(6) May use the services of one or more private, public or quasi-public third-party administrators to administer, provide support or obtain financing for the commercial sustainable energy program; and

(7) Shall adopt standards to ensure that the energy cost savings of the energy improvements over the useful life of such improvements exceed the costs of such improvements.

(b) Project Requirements. If a benefitted property owner requests financing from the Green Bank for energy improvements under the Act, the Green Bank shall:

   (1) Require performance of an energy audit or renewable energy system feasibility analysis on the qualifying commercial real property that assesses the expected energy cost savings of the energy improvements over the useful life of such improvements before approving such financing;

   (2) Impose requirements and criteria to ensure that the proposed energy improvements are consistent with the purpose of the commercial sustainable energy program; and

   (3) Require that the property owner obtain the consent of any existing mortgage holder of such property, prior to the execution of the financing agreement or the recording of any lien securing a benefit assessment for energy improvements for such property, to have a Benefit Assessment Lien levied on the property to finance such energy improvements pursuant to the Act.

(c) Financing Agreement for Project. The Green Bank may enter into a financing agreement with the property owner of qualifying commercial real property (the “Financing Agreement”). The Financing Agreement shall clearly state the estimated benefit assessment that will be levied against the qualifying commercial real property. The Green Bank shall disclose to the property owner the costs and risks associated with participating in the commercial sustainable energy program, including risks related to the failure of the property owner to pay the benefit assessment provided for in the Financing Agreement. The Green Bank shall disclose to the property owner the effective interest rate on the benefit assessment, including fees charged by the Green Bank to administer the commercial sustainable energy program, and the risks associated with variable interest rate financing, if applicable. The Green Bank shall notify the property owner that such owner may rescind any Financing Agreement entered into not later than three business days after such Financing Agreement is executed by the property owner and delivered to the
Green Bank. The Financing Agreement shall provide for the consent of existing mortgage holders for the Benefit Assessment Lien to be continued, recorded and released by the Municipality, as required by the Act and described in Section 3(c) herein.

(d) Determination of Estimated and Final Benefit Assessments and Payments.

(1) Upon execution of the Financing Agreement, the Green Bank shall determine the total benefit assessment amount, including fees charged by the Green Bank to administer the commercial sustainable energy program, and shall set a fixed or variable rate of interest for the repayment of the benefit assessment amount. Such interest rate, as may be supplemented with state or federal funding as may become available, shall be sufficient to pay the financing and administrative costs of the commercial sustainable energy program, including delinquencies. The Green Bank shall provide written notice of the total benefit assessment amount and interest rate to the Municipality.

(2) It is anticipated that the Green Bank will decide that the benefit assessment shall be payable in two equal payments respectively payable on July 1 and January 1 of each year so that they are due at the same time as the installments of the Municipality’s real property taxes. If the Municipality changes its practices concerning the billing of annual real property taxes as to the number of installments and their due dates, the Green Bank will change its practices to the extent possible to correspond with the Municipality’s practices.

Section 3 - Obligations of the Municipality.

(a) Levy of Benefit Assessment. Upon receiving written notice from the Green Bank of the benefit assessment as provided in Section 2(d)(1) herein, the Municipality shall promptly levy the benefit assessment against the qualifying commercial real property to be benefited by the energy improvements financed by the Green Bank and described in the Financing Agreement, and shall place a lien on the qualifying commercial real property to secure payment of the benefit assessment in the form of the attached Exhibit A (“Benefit Assessment Lien”). The Benefit Assessment Lien will have two attachments: (1) the legal description of the benefited property and (2) the Financing Agreement payment schedule provided by the Green Bank. As provided in the Act, the benefit assessments levied pursuant to this Agreement 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. The Green Bank will reimburse the Municipality the cost charged by the Town Clerk for recording the Benefit Assessment Lien. Such Benefit Assessment Lien shall be levied and collected in the same manner as the property taxes of the Municipality on real property, including, in the event of default or delinquency, with respect to any penalties, fees and remedies and lien priorities as provided by the Act.

(b) Continuation, Recording and Release of Lien. As provided in the Act, each Benefit Assessment Lien shall be continued, recorded and released in the manner provided for property tax liens, subject to the consent of existing mortgage holders, 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. The Green Bank shall provide to the Municipality written notice of the consent of existing mortgage holders for the lien to be continued, recorded and released by the Municipality.
(c) **Assignment of Benefit Assessment Lien.**

(1) Upon the written request of the Green Bank, the Municipality shall assign, in the form of the attached Exhibit B, to the Green Bank any and all Benefit Assessment Liens filed by the Municipality’s tax collector, as provided in this Agreement. The Green Bank may sell or assign, for consideration, any and all Benefit Assessment Liens received from the Municipality. The assignee or assignees of such Benefit Assessment Liens shall have and possess the same powers and rights at law or in equity as the Green Bank and the Municipality and its tax collector would have had if the Benefit Assessment Lien had not been assigned with regard to the precedence and priority of such lien, the accrual of interest and the fees and expenses of collection. The assignee shall have the same rights to enforce such Benefit Assessment Liens as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys’ fees incurred by the assignee as a result of any foreclosure action or other legal proceeding brought pursuant to the assignment and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the assignee at any time after demand for payment has been made by the assignee.

(2) The Municipality hereby acknowledges that the Green Bank may sell or assign any and all Benefit Assessment Liens received from the Municipality under Section 3(c) of this Agreement to a trustee for the benefit of the holders of the Green Bank’s bonds, notes or other obligations issued to finance the costs of the commercial sustainable energy program, and that the holders of the Green Bank’s bonds, notes or other obligations will rely on the Municipality to levy, collect and remit the benefit assessments to the Green Bank. Therefore, the Municipality unconditionally agrees that in the event the Municipality does not discharge its duties under this Agreement, the trustee shall have the right to enforce the Municipality’s obligations under this Agreement by institution of legal action against the Municipality.

(d) **Amendment of the Benefit Assessment Lien.** Pursuant to the Financing Agreement, the final amount of the benefit assessment may be adjusted after the levy of the Benefit Assessment Lien. Such an adjustment would likely be the result of a change in the energy improvement service contract amount during the construction period, a change in the amount of capitalized interest, or an amendment to the Financing Agreement. In the event that the final benefit assessment amount needs to be adjusted at the completion of the project, or any other time, the Green Bank will inform the Municipality of such change, provide the Municipality with an updated payment schedule and new lien amount, and the Municipality shall amend the Benefit Assessment Lien to reflect such adjustment. The Green Bank will reimburse the Municipality the cost charged by the Town Clerk for amending the Benefit Assessment Lien.

(e) **Billing and Collection; Payment to the Green Bank.**

(1) The Municipality shall bill the benefit assessments in the same manner and at the same time as it bills its real property taxes. The benefit assessment payments shall be a separate clearly defined line item or separate bill and shall be due on the same dates as the Municipality’s real property taxes. The amount of the benefit assessment will be recorded on the Municipality’s tax rolls in the same manner as any other benefit assessment, such that the public will have access to its existence and payment status. The penalties and interest on delinquent benefit assessments shall be charged in the same manner and rate as the Municipality charges for delinquent real property taxes.
(2) Payments of the benefit assessments collected by the Municipality shall be segregated from all other funds of the Municipality and deposited in a separate account for the benefit of the Green Bank and identifying the Green Bank as the beneficial owner. The Municipality disclaims any ownership interest or other interests in such account or the amount collected.

(3) The Municipality shall pay all amounts collected with respect to the benefit assessments within any calendar month to the Green Bank or its assignee no later than thirty days after the month that the amounts are collected. The Municipality will provide collection reports to the Green Bank, and the Green Bank, at its own expense, shall have the right to audit the records relating to the benefit assessments upon reasonable notice at reasonable times. The Green Bank and Municipality agree to provide each other with such reasonable information as they may request and the Green Bank and the Municipality agree to provide such information in a computer format satisfactory to the other.

(f) Collection of Delinquent Payments.

(1) In the event that any benefited property owner fails to make a benefit assessment payment pursuant to the payment schedule of the Benefit Assessment Lien in any property tax billing cycle, the Municipality shall provide written notice to the Green Bank of such delinquency in a reasonably timely manner. After providing such notice to the Green Bank, the Municipality has no obligation to collect delinquent benefit assessment payments unless it enters into a separate agreement with the Green Bank described in the following subsection (2).

(2) If the Green Bank makes a written request to the Municipality for its assistance in the collection of delinquent benefit assessments and related charges, the Municipality, in its sole discretion, and the Green Bank may enter into a separate agreement for those services, which agreement shall provide for compensation to be paid to the Municipality for its collection services. The agreement may provide for the Municipality to pursue the collection of any delinquent benefit assessments with the same diligence it employs in the collection of the Municipality’s real property taxes, including the commencement of foreclosure proceedings to the extent provided by the then-current statutes of the State of Connecticut, and to take such actions that are required to preserve the Benefit Assessment Lien securing the delinquent benefit assessments. The agreement may also provide that the Green Bank shall have the right to take over the enforcement of any delinquent benefit assessments upon written notice to the Municipality, and thereupon the Municipality will have no further responsibility to collect such amount.

(3) The Municipality will provide written notice to the Green Bank of any sale or assignment of its real property taxes or any institution of a judicial foreclosure or other proceeding against any real property for delinquent real property taxes if such real property is subject to a lien securing a delinquent benefit assessment. Similarly, the Green Bank shall provide written notice to the Municipality of the institution of a judicial foreclosure or other proceeding against any qualified commercial real property for a delinquent benefit assessment.

(g) Promotion of Program; Assistance for Green Bank Financing; Payment to Municipality.

(1) The Municipality shall use good faith efforts to assist the Green Bank in local marketing efforts and outreach to the local business community to encourage participation in the commercial sustainable energy program, such as including commercial sustainable energy program information on the
Municipality’s website, distributing an informational letter from chief elected official to local businesses regarding the program, and conducting one or more business roundtable event(s).

(2) The Municipality shall use good faith efforts to assist in gathering and providing information for the Green Bank to offer, sell and issue its bonds, notes or other obligations to provide funds for the commercial sustainable energy program.

(3) The Green Bank agrees to pay the Municipality annually a fee of $500 (the "Annual Fee") for its services hereunder. In the event such payment is not sufficient to cover the Municipality's out of pocket costs and expenses in discharging its duties hereunder, the Green Bank shall reimburse the Municipality for its actual reasonable costs and expenses associated with the collection and enforcement of the benefit assessments in excess of the Annual Fee. Such costs and expenses include reasonable costs incurred by the Municipality in conjunction with any and all proceedings to collect and enforce the benefit assessments and delinquent benefit assessments, including foreclosure proceedings.

Section 4 - Indemnification.

The Green Bank agrees that it will protect, defend, indemnify and hold harmless the Municipality and its officers, agents and employees to the extent of available proceeds derived from the benefit assessments from and against all claims, demands, causes of action, damages, judgments, losses and expenses, including reasonable attorney’s fees, arising out of or in connection with the actions of the Green Bank’s officers, employees and agents under this Agreement. This provision shall survive termination of this Agreement.

Section 5 - Term.

The term of this Agreement shall commence upon the date first written above. This Agreement shall be in full force and effect until all of the benefit assessments have been paid in full or deemed no longer outstanding. The Municipality may opt-out of continuation in the program at any time on sixty (60) days advance notice to the Green Bank, provided that the provisions of this Agreement shall continue with regard to benefit assessments assessed prior to such termination date until those benefit assessments have been paid in full or are no longer outstanding.

Section 6 - Default.

Each party shall give the other party written notice of any breach of any covenant or agreement under this Agreement and shall allow the defaulting party 30 days from the date of its receipt of such notice within which to cure any such default or, if it cannot be cured within the 30 days, to commence and thereafter diligently pursue to completion, using good faith efforts to effect such cure and to thereafter notify the other party of the actual cure of any such default. The parties shall have all other rights and remedies provided by law, including, but not limited to, specific performance, provided however, in no event shall either party have the right to terminate this Agreement prior to the expiration of the Term, except as provided in accordance with Section 7(c) of this Agreement.

Section 7 - Miscellaneous Provisions.

(a) Assignment or Transfer. Except as provided in Section 3(c) hereof, a party may not assign or transfer its rights or obligations under this Agreement to another unit of local government, political subdivision or agency of the State of Connecticut or to a private party or entity without the prior written consent of the other party and, if required, the prior approval of the holders of the Green Bank’s bonds, notes or other
obligations. If approval of the assignment by the holders of the Green Bank’s bonds, notes or other obligations is required, such approval shall be obtained in accordance with the indenture or other documents entered into by the Green Bank in connection with the bonds, notes or other obligations.

(b) **Amendment and Termination.** After the Green Bank sells and issues its bonds, notes or other obligations to finance the costs of the commercial sustainable energy program, this Agreement may not be amended or terminated by the parties without the prior approval of the holders of the Green Bank’s bonds, notes or other obligations, which approval shall be obtained in accordance with the indenture or other documents entered into by the Green Bank in connection with the bonds, notes or other obligations.

(c) **Severability.** If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

(d) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

(e) **Notices.** All notices, requests, consents and other communications shall be in writing and shall be delivered, mailed by first class mail, postage prepaid, or overnight delivery service, to the parties, as follows:

If to the Municipality:

[Address]

Attention: First Selectman

If to the Green Bank:

Connecticut Green Bank
845 Brook Street
Rocky Hill, Connecticut 06067
Attention: President

(g) **Amendment and Waivers.** Except as otherwise set forth in this Agreement, any amendment to or waiver of any provision of this Agreement must be in writing and mutually agreed to by the Green Bank and the Municipality.

(h) **Applicable Law and Venue.** This Agreement and its provisions shall be governed by and construed in accordance with the laws of the State of Connecticut. In any action, in equity or law, with respect to the enforcement or interpretation of this Agreement, venue shall be in the State of Connecticut.

(i) **Entire Agreement.** This instrument constitutes the entire agreement between the parties and supersedes all previous discussions, understandings and agreements between the parties relating to the subject matter of this Agreement.

(j) **Headings.** The headings in this Agreement are solely for convenience, do not constitute a part of this Agreement and do not affect its meaning or construction.
IN WITNESS WHEREOF, the Municipality and the Green Bank have each caused this Agreement to be executed and delivered as of the date indicated above:

(SEAL)

ATTEST:

[TOWN NAME]

_______________________________ By: ______________________________

[Name, Title]

CONNECTICUT GREEN BANK

By: ______________________________

Bryan T. Garcia, President
EXHIBIT A
CERTIFICATE OF LEVY AND LIEN OF BENEFIT ASSESSMENT

The undersigned Tax Collector of the CITY/TOWN OF ______________, Connecticut ("Municipality"), with an office at ___________________, Connecticut, for and on behalf of the Connecticut Green Bank (the "Green Bank"), formerly known as the Clean Energy Finance and Investment Authority, with an office at 845 Brook Street, Rocky Hill, Connecticut 06067, pursuant to the Commercial Property Assessed Clean Energy Program established under Connecticut General Statutes Section 16a-40g, as amended (the "Act"), and the Municipal Agreement between the Municipality and Green Bank dated ______________, 20____, HEREBY LEVIES A BENEFIT ASSESSMENT AGAINST AND LIEN UPON certain real property commonly referred to as ________________ and described more particularly in the attached Exhibit A (the "Property"), situated in the Municipality and owned on the date hereof in whole or in part by __________________ (the "Property Owner"), said levy and lien shall secure the repayment of financing for energy improvements made or to be made to the Property pursuant to that certain Financing Agreement between Property Owner and Green Bank dated ______________, 2015, as may be amended (the "Financing Agreement"). The amount and repayment of said levy and lien, as determined by Green Bank and provided to Municipality, are as follows: an installment payment plan is in effect for payment of the benefit assessment, and is based on the principal amount of the benefit assessment of $________________, with interest thereon at a fixed rate equal to ____________% per annum, with equal installments of principal and interest due and payable pursuant to the Financing Agreement, all as set forth in the attached Exhibit B. In the event that any such installment shall remain unpaid for thirty days after the same shall become due and payable, interest and other charges shall be charged upon the unpaid installment(s) at the rate of 18% per annum, as provided by the Act and by law. At such time as the principal and interest payments of the benefit assessment have been satisfied and paid in full, a release of this Certificate shall be filed in the Land Records of the Municipality evidencing such release.

This Certificate constitutes a certificate of lien and is filed pursuant to the provisions of the Act to evidence a lien for the benefit assessment levied upon the Property for the special benefits conferred upon said Property by the renovation or retrofitting for energy improvements related thereto. Pursuant to the Act, this lien 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 this lien. For the purposes of this lien, the Green Bank and any future successors, assigns or heirs of such lien shall be bound by and irrevocably subordinated to any environmental land use restriction recorded on the land records of the Municipality pursuant to Conn. Gen. Stat.§ 22a-133o after this lien is filed on the land records of the Municipality.

The portion of this Certificate which constitutes a levy of benefit assessment and notice of installment payment of benefit assessments is filed pursuant to the provisions of the Act and the Connecticut General Statutes, as amended.

By order of the Tax Collector of the City/Town of ________________.

Dated at ________________, Connecticut this _____ day of ______________, 20__.

____________________________________
Tax Collector

Received for Record: ____________, 20__ at ___________A.M./P.M.
EXHIBIT B
ASSIGNMENT OF BENEFIT ASSESSMENT LIEN

KNOW ALL PERSONS BY THESE PRESENTS, that the CITY/TOWN OF _____________________, a Connecticut municipal corporation (hereinafter referred to as “Assignor”), acting herein by __________, its Tax Collector, duly authorized pursuant to a Municipal Agreement dated ______________, 20____, between the Assignor and the Connecticut Green Bank (hereinafter referred to as “Assignee”), in consideration of One Dollar ($1.00) and other valuable consideration paid to Assignor by the Assignee, the receipt of which is hereby acknowledged, hereby quit-claims, grants, bargains, sells, conveys, assigns, transfers and sets over unto Assignee, without warranty covenants and without recourse, all of its right, title and interest in and to that certain benefit assessment lien and the debts secured thereby together with such interest, fees, and expenses of collection as may be provided by law, filed by the __________ Tax Collector on the __________ Land Records, on property owned on the date hereof in whole or in part by __________ and as described on Exhibit A and also commonly referred to as __________, attached hereto and made a part hereof (the “Lien”), to have and to hold the same unto the said Assignee, its successor and assigns forever.

This Assignment is made, given and executed pursuant to the authority granted to Assignor as a municipality by Connecticut General Statutes Section 16a-40g, as amended.

By execution of this Assignment, the Assignor assigns to Assignee, and the Assignee assumes, all of the rights at law or in equity, obligations powers and duties as the Assignor and the Assignor’s Tax Collector would have with respect to the Lien, if the Lien had not been assigned with regard to precedence and priority of such lien, the accrual of interest, charges, fees and expenses of collection, pursuant to Connecticut General Statutes Section 16a-40g, as amended.

This Assignment by the Assignor is absolute and irrevocable and the City/Town shall retain no interest, reversionary or otherwise, in the Lien.

IN WITNESS WHEREOF, we have hereunto set our hands and seal this _____ of __________, 20____.

Assignor

By ________________
Tax Collector

________________________
Commissioner of the Superior Court
Appendix C: REQUEST FOR LENDER CONSENT

REQUEST FOR LENDER CONSENT
AND NOTICE OF PROPOSED BENEFIT ASSESSMENT

Notice Date: ____

Lender Address:
Lender: ____
Street: ____
City/State/Zip Code: ____
ATTN: ____

Property/Loan Information: ____

Address: ____
APN: ____
Loan Number: ____

Why has the bank received this notice?

The property owner listed below owns the property located at the address above. You are the holder of a loan secured by the property.

[Building owner/address] wishes to install energy upgrades to the property using the Commercial Property-Assessed Clean Energy (C-PACE) financing mechanism established by the State of Connecticut and seeks your consent to do so.

Background on C-PACE in Connecticut.

In 2012, Connecticut passed legislation that provides access for owners of commercial, industrial and multi-family housing property in the state to a new form of financing for energy efficiency and on-site renewable energy (EE/RE) upgrades to their buildings. C-PACE financing can allow building owners to increase the value of their buildings and meet important energy policy goals of the State and its municipalities. (See Appendix A for legislation)

The Connecticut Green Bank (“the Green Bank”) is responsible for administering a statewide C-PACE program. With C-PACE, financing for EE/RE projects is repaid with a benefit assessment, a mechanism long used to finance improvements to real property that meet a public policy objective, such as sidewalks, parks, lighting districts, and water and sewer projects. Like other municipal assessments, C-PACE assessments must be current upon the sale of a property and remain with a property upon sale. As with other municipal assessments, any assessments in arrears (but only those in arrears) have a lien status senior to mortgages upon the sale of a property.
Connecticut’s C-PACE program has been designed to meet the needs and concerns of Connecticut’s residents, property owners, and existing mortgage lenders. To qualify, the proposed project must meet the following basic criteria:

- The property is located in a municipality that has signed a legal agreement with the Green Bank regarding C-PACE. (see Appendix B for a copy of the legal agreement between the Green Bank and the municipality)
- The property is a commercial, industrial, or multi-family (5 or more units) property
- The proposed measures reduce energy consumption and/or increase the production of on-site renewable energy
- The proposed measures are permanently affixed to the property
- The property is current on all municipal property tax and assessment payments
- The proposed project results in energy savings in excess of the assessment (a savings-to-investment ratio greater than 1 as determined by the THE GREEN BANK and/or the Administrator of C-PACE.

Why should you provide consent?

1. **Measures financed through C-PACE should reduce building operating costs.** Through the Technical Standards the Green Bank has established to govern the C-PACE program, a proposed project must have a Savings to Investment Ratio (SIR) greater than one, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs over the full term of the C-PACE assessment, over the useful life of the measures. For example, if the total eligible project investment cost is $1.5 million and the project’s expected useful life is 15 years, then the energy savings must be greater than $100,000 per year.

2. **C-PACE Assessments do not accelerate.** In the event the mortgage holder forecloses on the property for any reason, only the amount of the C-PACE assessment currently due and/or in arrears, a relatively small proportion of the C-PACE assessment, would come due. In the event of a property sale, C-PACE assessments transfer to the new property owner.

3. **Measures financed through C-PACE improve properties, often reducing maintenance and repair costs.** In addition, energy measures improve the efficiency, health, and comfort of a building, making it more attractive to tenants and future owners.

What should you know?

[Building owner/address] has indicated its intention to apply for C-PACE financing for the improvements outlined in hereto attached Exhibit C on the property listed above. The benefit assessment is to be levied on the property pursuant to an agreement between the property owner, the Green Bank, and the funding source for the C-PACE improvements. The related payment terms are proposed to consist of the following:
Total cost of improvements*:
Utility rebates/incentives:
Total C-PACE financing requested*:
Interest rate not to exceed:
Term of repayment period:
Total estimated annual installment*:
Payments per year:

*THE GREEN BANK may provide financing for up to 110% of the financing amount requested contingent upon the savings-to-investment ratio being greater than 1. As such, the above amounts are subject to minor deviation.

Estimated Benefits of the Authorized Improvements:

Based on a recent audit by which is detailed in hereto attached Exhibit C, the following cash flow savings – as a result of the installation of the Authorized Improvements and using the assumptions noted in the audit – are expected to accrue to the property:

Electric and Fuel Bill Savings:
Other Savings (specify):
TOTAL:

NOTE: The savings noted above represent estimated based on the assumptions contained in the audit attached as Exhibit C. Actual results are likely to be different and may be greater or less than estimated.

Purpose of this Notice. As required by the C-PACE enabling legislation (Section 16a-40g of Connecticut General Statutes, as amended), [Name of Property Owner] is sending this Notice of Proposed Benefit Assessment to Lender to (i) provide notice of the proposed participation of the property above in C-PACE financing; (ii) request confirmation from you (the current lender) that the levy of the Benefit Assessment pursuant to the Assessment Agreement will not trigger an event of default or the exercise of any remedies under the Loan documents, (iii) provide notice that the Contractual Assessment will be collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes and (iv) declare the [Name of Property Owner]'s agreement to pay on a timely basis both the existing obligations secured by the property (including the Loan) and the proposed Benefit Assessment.

Execution and Return of Consent. The Property Owner would appreciate you executing the attached Lender Consent to Proposed Benefit Assessment and returning it to the undersigned at your earliest convenience.

Very truly yours,

BY: (signature):__________________________________________________________

PROPERTY OWNER NAME:___________

MAILING ADDRESS (if different than Property address):_____

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LENDER CONSENT TO BENEFIT ASSESSMENT

Date: _____

Property/Loan Information: _____

Address: _____
Owner: _____

Municipality: _____

APN: _____

Loan Number: _____

This Lender Consent to Benefit Assessment (this "Consent") is given by the undersigned entity (the "Lender") with respect to the above-referenced loan (the "Loan") and the above-referenced property (the "Property").

RECITALS

A. Lender is in receipt of written notice (the "Notice") from the above-referenced owner of the Property (the "Property Owner") that it intends to finance installation on the Property of certain energy efficiency and/or renewable energy improvements that will be permanently fixed to the Property (the "Authorized Improvements") by participating in the Commercial Property-Assessed Clean Energy (C-PACE) financing program (the "Program"), sponsored by the Municipality.

B. Lender understands that, as a result of an agreement between the Municipality and the Property Owner (the "Assessment Agreement"), the Benefit Assessment described in the Notice will be levied on the Property, and that the Benefit Assessment will be collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes.

CONSENT

The undersigned hereby represents that it is authorized to execute this Consent on behalf of the Lender. The Lender hereby confirms:

A. Lender is in receipt of written notice (the "Notice") from the above-referenced owner of the Property (the "Property Owner") that it intends to finance installation on the Property of certain energy efficiency and/or renewable energy improvements that will be permanently fixed to the Property by participating in the Commercial Property-Assessed Clean Energy financing a program sponsored by the Municipality.

B. Lender understands that, as a result of an agreement between the Municipality and the Property Owner, the Benefit Assessment described in the Notice will be levied on the Property, and that
the Benefit Assessment will be collected in installments on the property tax bill in the same manner as 
and subject to the same penalties, remedies and lien priorities as real property taxes.

C. The Lender agrees that the levy of the Benefit Assessment will not constitute an event 
of default or trigger the exercise of any remedies under the Loan documents.

The Lender hereby acknowledges that the Property Owner and the Municipality will rely on the 
representation and Consent of the Lender set forth in this Consent.

<table>
<thead>
<tr>
<th>LENDER:</th>
</tr>
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<tbody>
<tr>
<td>By:</td>
</tr>
<tr>
<td>Authorized Representative</td>
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<tr>
<td>By:</td>
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<tr>
<td>Name</td>
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<td>By:</td>
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<td>Title</td>
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<tr>
<td>Date</td>
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Appendix D: INITIAL APPLICATION FOR C-PACE

C-PACE Project Application

Please visit www.C-PACE.com for resources and use our online version of the C-PACE Project Application.

For fastest processing time, we highly encourage you to submit your application through our online system. If completing by hand is most convenient, please be sure to complete all required fields (denoted with *) and to contact the C-PACE team with any questions before submission.

For questions, please contact

Alysse Lembo-Buzzelli
Associate, Commercial and Industrial Programs
alysse.buzzelli@ctgreenbank.com
P: 860.257.2176
Getting Started

Welcome to the Commercial Property Assessed Clean Energy (C-PACE) application. The C-PACE application is offered to building owners of Commercial and Industrial properties, and multifamily properties with five or more units. Please complete all required fields.

* Indicates a required field

How did you hear about C-PACE financing?*

☐ Contractor
☐ Municipality
☐ Utility Company
☐ Word of Mouth / Other C-PACE Clients
☐ Linkedin / Other Social Media
☐ Web Search
☐ Banner Ad Displayed On Another Website
☐ Trade Publication
☐ Newspaper / Other Print Media
☐ Online Media
☐ Event
☐ Other ____________________________

Eligibility*

To proceed, please note you must meet all requirements. If your project does not meet all of the requirements below, please contact us and tell us more about it. You can learn more about C-PACE Eligibility Requirements in our program guidelines, available at www.C-PACE.com.

☐ Property requires financing for energy improvements.
☐ Property is not in mortgage default.
☐ Property is current on all property taxes and municipal assessments.
☐ Property is non-residential (multi-family properties of 5 or more units are eligible).
☐ Property is not in bankruptcy.

Financing*

Select the option below which best represents your current financing status:

☐ I am applying for C-PACE financing
☐ I have already secured C-PACE financing

If you have already secured C-PACE financing, your capital provider is: ____________________________
Property Information

In this section, applicants will provide information about the property seeking C-PACE financing, including location, size, estimated value, current mortgage debt, and occupancy. Applicants with a multi-family building or apartments with more than 5 units must complete the “Multifamily” section on page 4 which includes information about the property’s condition, affordability, financial structure, and utilities.

Who owns the property?*

Building Owner Corporate Identity*

Contact Full Name*

Email*

Phone*

Property Address*

Street Address Line 1*

Street Address Line 2 (optional)

City*

State: Connecticut  Five Digit Zip Code*

Property Size

Square Feet*

Property Type*

- Office
- Municipal
- Non-Profit
- Education
- Residential < 5 Units
- Multi-Family/Apartment >5 Units

Do you have a mortgage on the property?*

☐ Yes
☐ No

If you select yes, you are required to provide additional information on the mortgage:

Mortgage Lender Name

Mortgage Closing Date

Principal Outstanding

Current Monthly Payment

Term of Mortgage

Amortization Schedule

Balloon Date (if applicable)

Interest Rate

☐ Fixed
☐ Variable

Mortgage Payments Current?

☐ Yes
☐ No

If you make this selection, you are required to complete additional information on page 4.
Do you have clear title to the property with no encumbrances?*

☐ Yes
☐ No

What is the estimated value of the property?*

Assessed Value $ _______________________

Assessed Year _______________________

Appraised Value $ _______________________

Appraisal Year _______________________

Are there any outstanding tax liens or notices of default?*

☐ Yes
☐ No

When was the property acquired by the current owners?*

mm/dd/year __________/___________/___________

What has the vacancy rate of the property been over the last 5 years?*

________________________________________________________________________________________

How would you characterize the stability of the lessees?*

________________________________________________________________________________________

________________________________________________________________________________________

Compared to similarly situated properties, how would your lease rates compare? If not “within market,” what would you say accounts for the differential?*

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

Other than the proposed project, are there any other major (> $25,000) capex expenditures planned for the next 5 years?*

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________
Multi-Family/Apartment > 5 Units

Please complete this section only if you selected “Multi-Family/Apartment > 5 Units” for “Property Type”

Total Number of Units in Complex* __________
Number of Rental Units* _________________
Number of Owner-Occupied Units* _________________
Number of Buildings in Complex* _________________
Year Built* _________________

Property Type*
☐ Rental ☐ Condo ☐ Co-op
☐ Congregate housing (apartments or group accommodations that provide supportive services for residents, including the elderly and disabled).

Property Condition* (select one)
☐ Poor Condition: Significant capital improvements needed, including emergency repairs.
☐ Good Condition: Systems generally work adequately; no immediate capital improvements needed or planned in the next 3 to 5 years.
☐ Excellent Condition: All systems work well; no major capital improvements needed or planned in the next 5 to 10 years; property could be described as new or "almost new" condition.

Affordability* (Check all that apply)
☐ Market Rate Housing
☐ Mixed Income Housing
☐ Privately Financed Affordable housing (serves low income tenants, but no public subsidies).
☐ Subsidized Affordable Housing (units are subsidized and rented to income-eligible tenants).
☐ Public Housing Authority – CHFA/State Financed
☐ Public Housing Authority – HUD Financed

Financial Structure*
☐ Privately Financed - Please indicate mortgage holder(s):
☐ Fannie Mae Financing
☐ Freddie Mac Financing
☐ FHA Insured Loans
☐ Other HUD Financing
☐ CT Housing Finance Authority (CHFA) Financing
☐ Section 8 Rental
☐ Low Income Housing (tax credit financing)
☐ No Debt on Property
☐ Other ____________________________

Utility Information
What is the source of heating fuel?*
☐ Oil ☐ Gas ☐ Electric ☐ Other __________

Who pays the fuel bill?*
☐ Owner ☐ Tenant

Rough estimate of annual bill to the nearest dollar*
$ ____________________________

Is electricity metered at the building or individual apartment level?*
☐ Building ☐ Individual Apartment

Who pays the electricity bill?*
☐ Owner ☐ Tenant

Rough estimate of annual bill to the nearest dollar*
$ ____________________________

What is the source of hot water?*
☐ Oil ☐ Gas ☐ Electric ☐ Other __________

Who pays the water bill?*
☐ Owner ☐ Tenant

Rough estimate of annual bill to the nearest dollar*
$ ____________________________
Project Information

In this section, applicants will provide information about the proposed energy project, including type, estimated cost, possible incentives, and contractor information. Boiler upgrades and gas conversion project applicants must complete the "Boiler Upgrade / Gas Conversion" section on page 6 which includes information about the existing and proposed boiler. Solar Fuel Cell and storage project applicants must review and sign the "Documentation of Ability to Monetize Federal Tax Credits Associated with Clean Energy Installations" section on page 7.

What is the estimated cost of your project? *

$ ____________________________

What type of project do you plan on financing? *

☐ Energy efficiency upgrade
☐ Renewable energy system
☐ Both
☐ Boiler upgrade / gas conversion - (You are required to provide additional information in Step III. B. 3 below)
☐ Other

Have you contacted your utility for incentives, if applicable? *

☐ Yes ☐ No

Is this a solar, fuel cell or storage project? *

☐ Yes ☐ No

(If yes, you are required to provide additional information on page 7)

For renewable energy systems, has a feasibility study been done for the project? *

☐ Yes ☐ No

Date of feasibility study *

_______/_______/_______

For energy efficiency projects, have you conducted a recent energy audit? *

☐ No
☐ ASHRAE Level I
☐ ASHRAE Level II
☐ ASHRAE Level III
☐ Other ____________________________

Date of the audit *

_______/_______/_______

Have you already identified a contractor to design and/or install your project? *

☐ Yes ☐ No

(if yes, you are required to provide additional information below)

Contractor Company

___________________________

Contractor Full Name

___________________________

Contractor Phone

___________________________

Contractor Email

___________________________

Describe the energy efficiency measures and/or renewable energy system in your proposed project.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

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Boiler Upgrade / Gas Conversion

Fill out this section for ‘Boiler Lite’ applications only (e.g. boiler upgrades and gas conversions) if you selected “boiler upgrade / gas conversion” as the type of project you are financing.

Proposed Boiler

Boiler type ____________________________

Manufacturer __________________________

Model number __________________________

Maximum input capacity / Btu/hr __________________________

Maximum output capacity / Btu/hr __________________________

Boiler fuel

☐ Electric ☐ Oil ☐ Gas

Fuel Use (if available) / MMBtu/year __________________________

Efficiency

☐ Combustion ☐ Thermal ☐ Fuel-to-water or Fuel-to-Steam

Estimated project cost $_________________

Estimated fuel savings $_________________

Estimated dollar savings $_________________

Estimated utility incentive $_________________

Last energy audit on the building

☐ None ☐ ASHRAE Level I ☐ ASHRAE Level II ☐ ASHRAE Level III ☐ Other __________________________

Date of the audit ________ / ________ / ________

Existing Boiler

Boiler type ____________________________

Boiler fuel

☐ Electric ☐ Oil ☐ Gas

Fuel use / MMBtu/year __________________________

Fuel Cost / $/gallon or $/CCF $_________________

Efficiency:

☐ Combustion ☐ Thermal ☐ Fuel-to-water or Fuel-to-Steam
Step III. C. Renewable Energy

Documentation of Ability to Monetize Federal Tax Credits Associated with Clean Energy Installations

C-PACE applicants can count the value of all relevant federal tax credits (including the Investment Tax Credit and MACRS depreciation benefits) towards their projects’ estimated savings in order to satisfy the C-PACE’s statutory obligation that all C-PACE projects achieve a savings-to-investment ratio greater than 1.

However, all applicants seeking to have the value of such tax benefits credited towards their projects’ estimated savings must demonstrate the ability to monetize those benefits within the timeframe allowed by federal law.

Please check either or both of the boxes below:

☐ As of this date and to the best of my knowledge, my company will be able to fully monetize the value of the federal Investment Tax Credit.

☐ As of this date and to the best of my knowledge, my company will be able to fully monetize the value of federal MACRS depreciation benefits.

Name* ____________________________
Title* ____________________________
Signature* _________________________
Corporate Entity* ___________________
Date* __________/__________/_________
Street Address Line 1* ______________
Street Address Line 2 ________________
City* ______________________________
State: Connecticut
Five Digit Zip Code* __________________
Freedom of Information Act

Please read our policy concerning the Connecticut Freedom of Information Act and acknowledge you have read this section.

FREEDOM OF INFORMATION ACT
The Connecticut Green Bank is a "public agency" for purposes of the Connecticut Freedom of Information Act ("FOIA"). Accordingly, this application and all information received by The Connecticut Green Bank regarding this application will be considered public record subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d), which include "trade secrets" and "commercial or financial information given in confidence, not required by statute."

Therefore, Company is advised that it should specifically identify those particular sentences, paragraphs, pages, sections or exhibits that it claims to be confidential and exempt. Consultant should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with General Statutes §§1-210(b) and § 16-245n(d) must be provided. The explanation and rationale should be stated in terms of the prospective harm to the competitive position of Company (or such submitting Person) that would result if such information were released.

Company acknowledges that (1) The Connecticut Green Bank has no obligation to notify the Company of any FOIA request received by The Connecticut Green Bank; (2) The Connecticut Green Bank may disclose materials claimed by the Company to be exempt, if in its judgment, such materials do not appear to fall within a statutory exemption; (3) The Connecticut Green Bank may in its discretion notify Company of FOIA requests and/or complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but The Connecticut Green Bank has no obligation to initiate, prosecute or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request; (4) Company will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding; and (5) in no event shall The Connecticut Green Bank or any of its officers, directors or employees have any liability for the disclosure of documents or information in The Connecticut Green Bank's possession where The Connecticut Green Bank, or such officer, director or employee, in good faith believes the disclosure to be required under the FOIA or other law.

☐ I have read and accept the above disclosure regarding the Freedom of Information Act.*

Signature* ________________________________
C-PACE Project Application

Submitting Your Application

Please carefully review each section of your application and ensure all the information is accurate. If you prefer to complete this application online, please visit www.C-PACE.com. Otherwise, please submit your application:

By Email to: c-pace@ctgreenbank.com

By fax to: 860-398-5510
Attn: C-PACE

By mail to: Connecticut Green Bank
Attn: C-PACE
845 Brook Street
Rocky Hill, CT 06067

For help with your application, please contact

Alysse Lembo-Buzzelli
Associate, Commercial and Industrial Programs
alyse.buzzelli@ctgreenbank.com
P: 860 257 2176

A member of the C-PACE team will contact you within two business days of receiving your application to confirm this property’s eligibility for C-PACE financing.

If your property is eligible, the C-PACE Team will invite you to submit the necessary documentation to complete your application. Please see below for the list of necessary documentation.

Upon receipt and acceptance of all necessary supporting documentation, the C-PACE Team will provide you with a non-binding term sheet for C-PACE financing at this property.
Appendix E: TECHNICAL STANDARDS

I. Overview
II. Candidate Project Evaluation and Review Process
III. Setting the Energy Use Baseline
IV. Energy Audit & Renewable Energy Feasibility Requirements
V. Eligible / Ineligible Measures
VI. Commissioning and Performance Measurement & Verification of Energy Savings
VII. Data Management, Program Information Management, Reporting and Analytics
VIII. Project Application Checklist
IX. Utility and Fuel Supplier Historical Usage and Project Data Information Release Form
X. CDMP Sample: Project Energy Saving Scenario

I - Overview

The methodology in these technical standards is designed to provide a flexible framework within which to qualify and manage the myriad eligible energy improvement projects applying to use the C-PACE financing structure.

For projects financed by the Green Bank, the information obtained from the responsible parties, including the application, technical documents, project implementation schedule, commissioning plan, and M&V plan will be entered into the web-based CDMP. The CDMP platform will facilitate uploading of key project data from responsible parties via excel spreadsheets and appending supporting documents in PDF file format. This data will also support the technical and financial underwriting process required to meet the reporting requirements of the multiple interdependent stakeholders, including but not limited to Green Bank management, mortgage holders, Capital Providers, building owners/managers and/or insurers.

For projects submitted to a qualified Capital Provider for C-PACE financing, the data along with all other supporting project documents may be entered into the CDMP or provided to the Green Bank in an alternative form; see the Standard Offer (Appendix H) for details.

ALL PROJECT APPLICATIONS REGARDLESS OF CAPITAL PROVIDER must include the information and abide by the standards described in these C-PACE Program Guidelines; all project applications will be reviewed by the Technical Administrator, or a Reviewer approved by the Green Bank in its sole discretion.

The technical methodology incorporated into the review process relies upon three established industry protocols:

1. ASTM E2797-15, Building Energy Performance Assessment (BEPA) Standard directed at data collection and baseline calculations for the energy audit;
2. ASHRAE Level I, Level II and Level III Energy Audit Guidelines; and
3. International Performance Measurement and Verification Protocol (IPMVP) for measurement and verification of the energy savings.

II – Candidate Project Evaluation and Review Process

The purpose of technical review is for the Technical Administrator and/or approved Reviewer to confirm the SIR on the project and verify that it is greater than 1. SIR means the ratio of (x) avoided energy costs plus project revenues, including all ancillary value streams such as environmental incentives and tax benefits, earned over the EUL of the ECMs to (y) projected debt service due in respect of the C-PACE financing – including all principal, interest, and any fees over the term of the financing – as well as fixed or variable costs associated with the maintenance or performance of the ECMs over their EUL.

Further:
- EUL for each ECM is determined through the energy audit and approved by the Technical Administrator or Reviewer. Both costs and savings for each ECM will be calculated over the EUL of that ECM.
- The C-PACE financing term may not exceed the EUL of the installed ECMs. For projects with multiple ECMs, a weighted average EUL will be calculated.
- Regardless of a project’s weighted average EUL, C-PACE financing terms may not exceed 25 years unless approved in writing by the Green Bank.

This determination is based on the applicant’s input of building energy use and cost data collected according to the ASTM E2797-15 (“ASTM BEPA”) standard protocol in conjunction with an energy audit.

If an energy audit (or equivalent) has not been conducted, the applicant will be advised to conduct an energy audit (refer to Section IV of this appendix). The audit, conducted by a qualified energy auditor, should establish a representative building energy use baseline, identify and recommend ECMs, estimate the useful life of each ECM, determine total project capital cost and the projected energy savings that can confidently be achieved, evaluate the project’s key financial metrics, provide a commissioning plan, and an energy savings measurement and verification (M&V) plan. Applications must be prepared and submitted by an energy engineer or by a team including an energy engineer. An energy engineer is defined as a professional holding a Certified Energy Manager (CEM) or Certified Energy Auditor (CEA) accreditation, a Professional Engineer (PE) with demonstrated relevant energy experience, or a contractor with relevant demonstrated experience as determined by the Technical Administrator. The energy audit level (ASHRAE Level I, Level II or Level III, or equivalent) will be influenced by a number of factors, including but not limited to, the number and complexity of the ECMs, and a project’s anticipated total capital investment.
III - Setting the Energy Use Baseline

ASTM BEPA

The ASTM Building Energy Performance Assessment (BEPA) protocol established a standardized methodology for building energy use data collection, compilation and analysis. The methodology is intended to fill data collection and analysis gaps in the ASHRAE energy audit guidelines and establish a sound, representative building energy use baseline. The ASTM BEPA methodology standardizes a number of major variables associated with data collection and analysis. This overarching methodology dictates the data and history that should be collected at each site.

To meet ASTM E2797-15 requirements, the preferred length of time that baseline building energy consumption data should be collected is three years, assuming it is available, or back to the last major renovation if completed in less than three years, with a minimum of one year of data collection. A major renovation is defined in the standard as any change that either involves expansion (or reduction) of the building’s gross floor area by 10% or more, or impacts total building energy use by more than 10%. Electricity data may be obtained online via the utility “green button” after the account owner has waived its right to access the data through signing of a release waiver (a copy of the release waiver is included in this section under Section IX of this Appendix).

For buildings where it is impossible or prohibitively difficult to obtain the required historical energy consumption data, the following methodologies may be utilized for establishing baseline building energy use.

1. Fully or partially vacant existing building whose use is not expected to change

   If an existing building is partially vacant and the use is not expected to change (e.g., office space stays as office space, etc.), it may be possible to use the utility data from the occupied space and extrapolate energy consumption to the full space as if it was 100% occupied. A building energy use simulation model may then be used to estimate the energy use under the post-ECM scenario and compare this to the baseline to project the energy savings.

   If the existing building is currently vacant and has been vacant for some time, and there is no utility data available, then the existing space may be modeled (building energy use simulation model, such as eQUEST, EnergyPlus, or equivalent) with the existing equipment (e.g., HVAC, windows, etc.), but operating how it would be operating under the expected use (the number of people occupying the building, the hours of operation, etc.). This would establish the baseline energy use. The model can then be used to project energy use under the post-ECM scenario and compare this to the baseline to project the energy savings.
2. Buildings undergoing repositioning or new use

If an existing building is undergoing repositioning or being developed into a new use (e.g., industrial space becoming office space such as might be found at a brownfields site where the existing building previously had industrial use but is being redeveloped into office space), a building energy use simulation model (e.g., eQUEST, EnergyPlus, or equivalent) can be used to project the baseline energy consumption associated with the new use, assuming for the baseline that the energy-using equipment meets the current CT energy code (2009 IECC with amendments). The building can then be modeled with high efficiency systems (above code). The difference (energy improvement) between the two scenarios would be viewed as the “energy savings” against which the cost of improvements would be weighed in the SIR calculation.

3. Multi-tenant buildings, such as retail, office residential, etc. where the tenants are sub-metered and pay their own electricity

In multi-tenant buildings where it is prohibitively difficult to obtain the electricity meter data of all tenants (e.g. ten or more meters), C-PACE applicants may use the building’s aggregate energy use, which may be supplied by the utilities via a signed waiver from the property owner. This would represent the building’s pre-ECM baseline. The alternative is to collect whatever tenant energy use data is voluntarily offered and use this to model the building’s energy use. To use this option, a minimum of 10% of the tenants must contribute energy use data. Once the baseline is established, a calibrated building energy use simulation model can then be used to project energy use post-ECMs. The difference (energy improvement) between the two scenarios would be the “energy savings.” Tenants may be willing to authorize the building owner to access their energy use because they would be getting the benefits of the energy improvements and be receiving lower energy bills.

The Green Bank has the ultimate responsibility and sole discretion to approve the appropriate energy use baseline for a particular project, depending upon the nature of the proposed project and supporting information.

IV - Energy Audit and Renewable Energy Feasibility Requirements

As a condition of financing, C-PACE legislation requires the energy audit or renewable energy feasibility analysis be conducted by a qualified individual.*

The principal objectives of the energy audit are to:

- Identify a representative baseline.
- Data collection must be consistent with ASTM E2797-15;
- Identify and recommend, in collaboration with the property owner/manager, C-PACE-eligible ECMs
- Identify the effective useful life of each ECM consistent with industry best practice;
- Estimate the total installed cost of each ECM;
- Estimate the total project capital cost;
- Identify the uncertainty (+/-) associated with the methodology used to establish ECM cost;
- Estimate the energy savings that can confidently be achieved (energy savings should be determined by the difference between projected energy use after the ECMs are installed and the projected baseline energy use under similar conditions, e.g., average (normalized) weather, etc.);
- Identify the uncertainty (+/-) associated with the methodology used to estimate ECM energy savings;
- Identify an appropriate commissioning plan;
- Identify an appropriate M&V plan; and
- Determine the project’s key financial metrics, including ROI, IRR, NPV, SIR, cash flow and payback time (the financial analysis performed should reflect any rebates or incentives).

* Energy audits must be prepared and submitted by an energy engineer or by a team including an energy engineer. An energy engineer is defined as a professional holding a Certified Energy Manager (CEM) or Certified Energy Auditor (CEA) accreditation, a Professional Engineer (PE) with demonstrated relevant energy experience, or a contractor with relevant demonstrated experience as determined by the Technical Administrator.

A feasibility study must be prepared for a renewable energy system application (Appendix F). The principal objectives of the renewable energy feasibility study are to:

- Describe the proposed renewable energy system;
- Identify and evaluate site/building suitability for the renewable energy system;
- Identify metering (number of boxes, location, etc.);
- Identify the utility electricity and/or fuel rate structure for the property;
- Collect historic electricity and/or fuel use and cost (in accordance with ASTM E2797-15);
- Assess system expected performance and requirements to maintain optimized operation;
- Compare system expected performance (electricity and/or heat production) against total energy (electricity and/or fuel) consumption of the building;
- Identify performance guarantees and effective useful life;
- Assess total project capital cost;
- Analyze building energy savings including assumptions on avoided future utility electricity/fuel costs including assumed electricity/fuel rate escalation;
- Identify an appropriate commissioning plan;
- Identify an appropriate M&V plan; and
- Determine the project’s key financial metrics, including ROI, IRR, cash flow, NPV, life cycle savings, savings-to-investment ratio and payback time based on the effective useful life of the renewable energy system (the financial analysis performed should reflect any rebates or incentives, REC credits/sale, potential excess electricity sale back to the grid, etc.).
In estimating the total project cost eligible for C-PACE funding (including up-front energy audits or renewable energy feasibility studies, the design and installation of the energy improvements, and verification of the energy savings achieved), the energy auditor may also include the cost of a preventive maintenance contract for the energy improvements, up to but not exceeding a five (5) year contract.

Completed energy audit data is submitted to the Technical Administrator or Reviewer to validate that the scope of work meets the required technical standards, ECMs meet C-PACE program eligibility requirements, the recommended ECMs are technically and financially feasible, and all stakeholder underwriting data needs are satisfied.

**ASHRAE Level I Energy Audit**

An ASHRAE Level I energy audit consists of a:

1) Walk-through analysis to assess a building’s energy cost,

2) Utility bill analysis to assess its efficiency (using ASTM BEPA Methodology to establish the building’s baseline energy use), and

3) Brief on-site survey of the building.

The walk-through may be targeted at a specific building component that is intended to be replaced or upgraded or added (such as in the case of installing a solar energy system) or may include checking all major energy-using systems. Operational metrics of building equipment are typically limited to data collection of nameplates, but may be more detailed if that data are readily available. Level I energy analysis should at the minimum identify ECMs and the associated potential energy savings, the estimated cost of the ECMs, and specify where further consideration and more rigorous investigation is warranted.

**ASHRAE Level II Energy Audit**

An ASHRAE Level II energy audit is a more detailed investigation and includes a more comprehensive building survey and energy analysis than a Level I audit. It also includes more detailed financial analysis. In addition to nameplate data collection, empirical data may also be acquired through various field measurements using handheld devices.

The Level II audit should at the minimum identify and provide the investment and cost savings analysis of all recommended ECMs that meet the Connecticut Green Bank’s and the owner’s constraints and economic criteria, along with a discussion of any changes to operation and maintenance procedures. Detailed financial analysis includes ROI, IRR, NPV and payback period determination reflecting the C-PACE financing structure. Sufficient detail on projected energy savings is provided to justify project implementation.
ASHRAE Level III Energy Audit

The ASHRAE Level III energy audit (often referred to as an “investment grade audit”) is generally applicable to projects that are capital intensive and demand more detailed field data gathering as well as more rigorous engineering analysis. The Level III energy audit provides even more comprehensive project investment and cost savings calculations to bring a higher level of confidence that may be required for major capital investment decisions. Data collection may involve field measurements acquired through data loggers and/or an existing energy management system.

V – Eligible / Ineligible Measures

Common Eligible Energy Conservation Measures

Pursuant to C-PACE legislation, the project, including all eligible measures, must achieve an SIR > 1. Non energy-saving measures directly related to installation of an ECM may be determined as eligible and included in the financing in so far as the project’s SIR remains greater than 1 and, per the Act, the “authority determines [these associated costs] will benefit the qualifying commercial real property.” For example, the benefited property owner’s share of ancillary construction costs to extend the energy infrastructure as necessary to enable the clean energy or distributed energy improvement (e.g. a roof to support solar panels or the pipeline infrastructure as necessary to enable a natural gas conversion).

The measures proposed in the project must be permanently affixed to the property (i.e. the property owner cannot remove them in the event of a change of ownership), with the exception of district heating and cooling systems, as defined in the statute as “a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings” (i.e., the pipeline and sources may be located outside of the property boundary of any given beneficiary of the system) and microgrids. Examples of permanently affixed improvements include, but are not limited to upgraded insulation, energy efficient HVAC equipment, solar photovoltaic (PV) rooftop systems, fuel cells, and natural gas piping installed underneath the property owner’s land. In addition to the ECM eligibility review, the Green Bank will also review projected improvements in energy efficiency to ensure that the energy efficiencies are reasonable for the application and commercially acceptable.

The following list of predominant, long-standing, proven energy efficiency technologies is intended as a reference list for C-PACE applicants. If not included on this list, the Green Bank will review proposed ECM(s) and accept them on a case-by-case basis.

- High efficiency lighting
- Heating, ventilation and air conditioning (HVAC) upgrades
- New automated building and HVAC controls
- Variable speed drives (VSDs) on motors fans and pumps
- High efficiency chillers
• High efficiency boilers and furnaces
• High efficiency hot water heating systems
• Combustion and burner upgrades
• Fuel switching
• Water conservation measures to the extent they save energy
• Heat recovery and steam traps
• Building enclosure/envelope improvements
• Building automation (energy management) systems
• Renewable energy systems (e.g., solar, fuel cells, geothermal)
• Combined heat and power systems (CHP)
• District thermal
• Microgrids.

The following end use savings technologies are generally more applicable to industrial facilities:

• New automated process controls
• Heat recovery from process air and water
• Cogeneration used for peak shaving
• Process equipment upgrades
• Process changes.

Shown below are key aspects of some of the most commonly applied technologies listed above, with their typical simple payback range. These payback periods are only provided for informational purposes and should not be construed as a guarantee of performance or requirement for C-PACE funding eligibility.

**Lighting (typical 2 to 3 year simple payback):**

• Daylight controls and natural day lighting designed to reduce energy and improve visual comfort
• Upgrades for existing fluorescent fixtures including electronic ballasts, T8 lamps, and reflectors
• Upgrades to LED lighting fixtures
• Meeting rooms and other intermittently occupied spaces can garner significant energy savings with the use of timers and occupancy sensors
• Smaller impact opportunities including security lighting, stairwell lighting, exterior night-time security lighting and exit signs.

**Motors (typical 3 to 5 year simple payback):**

• High efficiency electric motor replacements usually pay back when a motor is running for long periods at high load, or at the end of motor life
• The cost premium over standard motors normally can be recovered in less than 2 years
• Motor sizing to the actual load profile to improve efficiency and control electrical power factor.
Variable Speed Drives (typical 3 to 5 year simple payback):

- Applied to motors, pumps and fans
- Matches motor use to variable operating load
- Can save up to 40 percent in power consumption
- Can be packaged with controls
- Extends motor life.

HVAC (typical 2 to 10 year simple payback)

- New packaged units can increase efficiency and indoor comfort
- Proper sizing of HVAC equipment is a major opportunity, since full-load operation is more efficient than part load operation - consider fan capacity reduction or staging of 2 smaller units rather than partial loading of one large unit
- Install VSDs on HVAC motors
- Balance air and water supply systems to remove trouble spots demanding inefficient system operation
  - Improve maintenance
  - Eliminate simultaneous heating and cooling
  - Install economizers and direct digital controls
- Variable air volume conversions versus constant air flow
- Ventilation reduction (demand control ventilation, etc.)
- Unoccupied shutdown or temperature setback/setup (controls).

Chillers (typical 5 to 15 year simple payback):

- New chiller models can be up to 30-40 percent more efficient than existing equipment.
- Upgrade lead chiller(s) (base load) to high efficiency
- Manage chiller and condenser settings to minimize compressor energy
- Optimize pumping energy for distribution of chilled water
- Optimize HVAC operation to:
  - Improve temperature/humidity control
  - Eliminate unnecessary cooling loads
- CFC reclamation program/inventory - chiller replacement may achieve both CFC management and energy efficiency objectives.

Boilers (typical 5 to 10 year simple payback):

- Replace steam with hot water boilers for hot water heating loads
- Use of high efficiency condensing boilers
- Improve maintenance
- Optimize operation/staging in multiple boiler plants
- Optimize boiler controls
• Tune or replace burners
• Add small “pony” boilers for low loads: o Reduced fuel consumption/energy costs
  o Reduced emissions
  o Reduced maintenance costs
  o Higher reliability.

Heat Recovery (typical 2 to 5 year simple payback):

• Heat recovery devices to capture waste heat from water, process heat and exhaust air to re-use it for preheating of building intake air
  o Boiler combustion air
  o Boiler feed-water
  o Inlet water for domestic hot water.

New Automated Building and HVAC Controls (typical 3 to 10 year simple payback):

• Old controls may still be pneumatic systems based on compressed air - new electronic controls are more precise and reliable, with greater capabilities.
• Automate lighting, chiller, boiler and HVAC operation:
  o Load shedding
  o Optimal start/stop/warm up
  o Ventilation control.
• Whole-building energy management systems may come with other advanced control technologies:
  o Alarm monitoring and report generation
  o Preventive maintenance scheduling
• Remote monitoring/metering capabilities may be attractive.

Building Shell and Fenestration (typical 3 to 10 year simple payback):

• Roof insulation, combined with reflective roof coatings in warm climates, reduces energy consumption
• Review building pressurization for proper ventilation:
  o Balance exhaust and intake air quantities
  o Add weather-stripping on doors and windows
  o Seal cracks and unnecessary openings
• Window films to reduce solar heat gain and/or heat loss
• Daylighting
• Replace windows with more energy efficient glazing.
Renewable Clean Energy Improvements for Commercial Property

The following are examples of renewable clean energy improvements as defined in Subsection (A) of Section 16-245N of the General Statutes.

- Solar power
- Solar thermal
- Wind Power
- Geothermal energy
- Fuel Cell
- Methane Gas from landfills
- Low emission advanced renewable energy conversion technologies
- Projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure and any related storage, distribution, manufacturing technologies or facilities
- Sustainable Biomass Facility

Ineligible Measures

All C-PACE related improvements must be permanently affixed to the commercial property and part of a retrofit to existing infrastructure, with the exception of district heating and cooling systems. The following items will not be considered as efficiency measures under the C-PACE program:

- Appliances, e.g., refrigerators, dishwashers, etc.
- Plug load devices
- Vending machine controls
- Any package of measures that does not achieve an energy savings to investment ratio (SIR) greater than one
- Any measure that is easily removed or not permanently installed
- Any measure that does not result in improved energy efficiency or renewable energy generation

VI – Commissioning and Performance Measurement & Verification of Energy Savings

In order to evaluate the energy savings effectiveness of projects after they have been installed, all project applications are required to include a Cx and M&V plan to ensure that the property owner is in a position to collect energy consumption and/or clean energy production data. The Cx plan is designed to: (1) verify equipment installation as specified and identify operation and maintenance requirements; and (2) verify system performance according to specifications. The M&V plan is designed to verify that the ECMs installed are achieving the projected energy savings. The plan identifies what must be measured and how to facilitate this analysis.
The Green Bank requires C-PACE applicants to develop an M&V plan consistent with guidance provided by the International Performance Measurement and Verification Protocol (IPMVP) or propose an alternative methodology as appropriate for the project size and ECMs installed.

The IPMVP guidance provides four options for determining energy savings. These include:

- Option A. Retrofit Isolation: Key Parameter Measurement
- Option B. Retrofit Isolation: All Parameter Measurement
- Option C. Whole Facility
- Option D. Calibrated Simulation.

Options A and B focus on the performance of specific ECMs that can be measured in isolation from the rest of the building. In Option A, the key energy use parameter is measured, but other minor effects can be estimated. For example, Option A might include a lighting retrofit, where an electric meter can isolate and measure electricity use for the lighting, but where the relatively minor interactive effect of less cooling in summer and more heating in winter is estimated. Reduced lighting loads will reduce air conditioning energy consumption (a cooling bonus), but increase heating consumption (a heating penalty). In Option B, all parameters necessary to evaluate energy use are measured. This might, for example, be the case with installation of a variable speed drive and controls to a motor, with a power meter installed on the electrical supply to the motor.

Options C and D are used when energy use of the ECMs installed is not easily measured in isolation from the rest of building operations, or there is little measured baseline energy data, among other reasons. The Option C approach assesses savings at the whole facility level. The measured and verified energy savings in the desired reporting period (e.g., 12 months after the ECMs have been installed) is determined from the difference between the actual (measured) energy use in the reporting period and the projected energy use in this same reporting period assuming the ECMs had not been installed. The analysis reflects changes in the independent variables impacting building energy use (such as weather, occupancy, operating hours, etc.) for each month in reporting period as compared to the baseline. Option C is commonly applied for whole building retrofits involving multiple ECMs that may be interactive. Option D uses computer simulations and building modeling (e.g., U.S. DOE 2.2-based software such as eQuest or EnergyPro), and is usually applied when baseline year energy data are not available or considered reliable.

At minimum, an M&V plan should determine if and with what frequency energy consumption and/or clean energy production data will be collected for measurement purposes. An M&V plan should also determine the means by which data will be tracked and collected as well as what party is responsible for data collection (see Project Application Checklist). Property owners or contractors seeking to access energy consumption data may use the authorization form provided in Section IX of this chapter “Utility and Fuel Supplier Historical Usage and Project Data Information Release Form”.

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The Green Bank may elect to facilitate M&V on projects submitted to the Green Bank for financing. Property owners and/or qualified Capital Providers may request M&V services from the Green Bank, see Standard Offer (Appendix H). M&V activities may be financed as an eligible measure under the C-PACE program.

**VII - Data Management, Program Information Management, Reporting and Analytics**

To ensure the success of the C-PACE program, data is uniformly collected on all C-PACE projects, regardless of Capital Provider. Projects submitted to the Green Bank for financing will collect all project data in the CDMP. Qualified Capital Providers financing projects under the Standard Offer that are not using the CDMP will be required to submit data regarding project characteristics and project energy savings in a standard format to be determined by the Green Bank in its sole discretion. The Green Bank issues quarterly reports on the C-PACE Program that includes aggregated data across all closed and completed transactions. For more information, visit our Quarterly Dashboard [here](#).

**VIII - Project Application Checklist**

Before an application commences technical review, project applicants should complete the following checklist and submit to the Technical Administrator and/or approved Reviewer as an appendix to the full application.

- Property description (type, gross SF, rentable SF, tenant(s), lease type (gross, triple net, etc.), age, date of last major renovation, electrical meters, vacancy, hours of operation)
- ECM(s) identified with complete description, including how they will save energy
- ECM degradation addressed
- EUL for each ECM is identified
- Baseline building energy use data collected consistent with ASTM E2797-15 standard (if not, provide explanation)
- Energy audit provided (consistent with ASHRAE guidelines) □ N/A
  - Level 1 conducted □ N/A
  - Level 2 conducted □ N/A
  - Level 3 conducted □ N/A
  - Other__________________________________
- Renewable energy feasibility study provided □ N/A
- Commissioning plan Provided
- M&V plan Provided
  - Utility bill-based analysis
  - Meter-based analysis
  - IPMVP-based analysis
  - Other__________________________________
Electricity cost escalation factor identified (consistent with ISO-NE 20-yr projection)
Fuel cost escalation factor identified (consistent with U.S. EIA projections)
Projected savings for each ECM is provided
  □ Energy savings determined by calculation (spreadsheet) □ N/A
  □ Energy savings determined by modeling □ N/A
    □ eQuest
    □ EnergyPro
    □ Trace 700
    □ Spreadsheet(s)
    □ Other ________________________________
  □ Model assumptions identified
  □ Model defaults identified
  □ Model calibrated against actual baseline data □ N/A
  □ Model uncertainty identified □ N/A
Uncertainty around projected energy savings identified
Total project cost provided including breakdown by ECM
Projected construction schedule
Total amount being financed (C-PACE Investment, “I”)
  □ Total cost of project $_______________
  □ ______% of total project cost to be financed
    If <100%, how else is the project being financed? __________
    ________________________________
    □ Utility incentive □ Yes ($__________) □ No □ N/A
    □ Owner financing □ Yes ($__________) □ No □ N/A
    □ Other financing □ Yes ($__________) □ No □ N/A
For Solar PV: Are ZREC sales being assumed?
  □ Yes (Value $_____/yr) □ No □ N/A
For Solar PV: Has a ZREC been awarded?
  □ Yes □ No □ N/A
For Renewable Energy Systems: Is electricity being sold to the grid?
  □ Yes (Value $_____/yr) □ No □ N/A
M&V cost included?
  □ Yes □ No □ N/A
Preventive maintenance plan (max. 5 years) included?
  □ Yes □ No □ N/A
SIR>1 □ Yes □ No (SIR must be > 1)
Qualifications of responsible party (parties) attached
Project Technical Contact:
Name__________________________________________________
IX - Utility and Fuel Supplier Historical Usage and Project Data Information Release Form

CUSTOMER RELEASE OF UTILITY DATA FORM

Utility and Fuel Supplier Information

Customer Name: __________________________________________________________

Electric Utility: __________________________ Account #:__________________

Gas Utility: _____________________________ Account #:__________________

Other Fuel Supplier: _______________________ □ Oil □ Propane Account #:___________________

If necessary, attach additional account numbers to this form.

Utility and Fuel Supplier and Program Information Release

<table>
<thead>
<tr>
<th>Utility Customer Doing Business on the Property (“Company”)</th>
<th>C-PACE Borrower (“Borrower”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(only necessary if different from C-PACE Borrower)</td>
<td></td>
</tr>
<tr>
<td>Company Name:</td>
<td>Borrower Name:</td>
</tr>
<tr>
<td>Company Address:</td>
<td>Borrower Address:</td>
</tr>
</tbody>
</table>

PROJECT INFORMATION RELEASE – As a participant in the Connecticut Property Assessed Clean Energy (C-PACE) program and pursuant to Section 3.1(g) of the Financing Agreement between the Connecticut Green Bank (“Green Bank”) and the Borrower dated _______________, 2015 (the “Agreement”), I certify that I am a duly authorized representative of the Company/Borrower that is a customer of the above-named utility and that I hereby authorize and give permission to the utilities and/or fuel suppliers named above to release to the Green Bank and to any of its program partners, for their confidential use in connection with recording and calculating energy savings resulting from clean energy measures made pursuant to the Agreement at the Utility Service Address identified below. This permission is given for the following Data:

1) The monthly and interval usage, charges, and sales for fuels and/or utilities for the Release Period set forth below; and
2) Any supporting project documentation pertaining to calculating energy savings for efficiency measures.

In addition to the use of this Data for the Project, the Data may also be anonymized or aggregated to be used for non-commercial research purposes.

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RELEASE PERIOD – This authorization covers Data for the period starting with the completion of the project and ending on the date of the complete repayment of the benefit assessment pursuant to the Agreement.

I hereby release and hold harmless the Green Bank, any Green Bank program partners, the above-named utilities and energy suppliers, and their affiliates and their respective directors, employees, officers and agents from any and all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever associated with the dissemination and use of such account and program information and this authorization. An electronic copy of this authorization may be accepted with the same authority as the original.

Customer Signature: ___________________________________________    Date: ______________________

Printed Name: ____________________________________________________________________________

Email & Phone Number: _____________________________________________________________________

Mailing Address (if different): ______________________________________________________________________

Utility Service Address (if different): ______________________________________________________________________
X - CDMP Sample: Project Energy Saving Scenario

Baseline Actual
(Sep 2009 - Aug 2011)
Baseline EUI: 83.24 kBTU/SF
Baseline Consumption: 16,622,268 kBTU/yr
Baseline Cost: $995,912 /yr

Baseline Projected
(Weather normalized, no ECMs)
Weather Normalized EUI: 82.35 kBTU/SF
Projected Consumption: 16,444,193 kBTU/yr
Projected Cost: $1,025,212 /yr

Projected with ECMs
(Post ECMs Installation)
Projected EUI: 64.72 kBTU/SF
Projected Cost: $802,898 /yr
Current ENERGY STAR Rating: 59

The Projected EUI after ECMs installation is 21.40% better than the Baseline Projected EUI.
The Projected Cost after ECMs installation is 21.00% better than the Baseline Projected Cost.
The Projected ENERGY STAR Rating after ECMs installation is R3.

Energy Consumption
(kBTU/month)

Actual Data (Baseline)
ECMs
Projected with ECMs
Appendix F: APPLYING FOR C-PACE FINANCING FOR SOLAR PV SYSTEMS AND FUEL CELLS

I. Solar PV Feasibility Study Requirements
II. Commissioning and Performance Verification Guidelines for Solar PV Systems
III. C-PACE Solar Savings-to-Investment Ratio (SIR) Calculation Guidelines
IV. Third Party Ownership & C-PACE
V. Solar Lease II Installer Process
VI. Fuel Cell Feasibility Study Requirements

I - Solar PV Feasibility Study Requirements

Connecticut PACE legislation requires that C-PACE financing for installation of a renewable energy project be based upon a renewable energy feasibility analysis that assesses the energy cost savings over the project’s useful life. For installation of a solar PV project, the Green Bank recommends that the feasibility study at the minimum address the following components:

Site Suitability Assessment

A. Ambient Conditions
   1. Site location (address, latitude, longitude, azimuth (degrees))
   2. Monthly average temperature (high and low), rain, percent sun, sunrise and sunset, solar insolence (Wh/ft²), irradiance (W/ft²)
   3. Irradiance data file used in projecting future performance (TMY2, SolarAnywhere, etc.)

B. Building Conditions
   1. Location for solar energy system (include photographs)
      o Rooftop
      o Ground
      o Parking canopy
   2. Solar energy system support/foundation
      o Rooftop
         ▪ Roof dimensions (identifying usable PV panel space)
         ▪ Roof materials of construction
         ▪ Roof remaining useful life
         ▪ Obstruction/shading analysis
         ▪ Building structural adequacy to support installed solar system
      o Ground
         ▪ Description and condition of area (paved surface vs. open ground)
         ▪ Obstruction/shading analysis

---

2 For guidelines on non-solar PV feasibility study requirements, contact the CPACE team directly by emailing Nicholas Zuba at nicholas.zuba@ctgreenbank.com
- Description of necessary work to support solar array rack(s)
  - Parking canopy
  - Description and condition of parking area
  - Obstruction/shading analysis
  - Description of necessary work to support solar array rack(s)

C. **Building characteristics**
   - Property address
   - Property type (office, retail, hotel, multifamily, industrial, etc)
   - Gross square feet

D. **Building historic energy use and cost**
   - Description of electricity metering (number of boxes, location, etc.)
   - Most recent utility electricity rate structure for property
   - Historic electricity use and cost (in accordance with ASTM E2797-15)

**PV System**

- Solar module orientation and tilt
- PV cell specifications, including cell efficiency
- Module and array description, including module and array efficiency
- System size (kW) and projected performance - specify model used (e.g., PVSyst, SAM, PVCheck, RETScreen, PV Studio, etc.) including input parameters, assumptions (such as soiling, degradation, etc.)
- Inverter information (capacity, manufacturer, warranty, etc.) (the inverter must be warranted over the full financing term)
- PV project site plan (including point of electrical connection)
- Distance from closest power line hook-up point (electrical run)
- Building code compliance and permit requirements
- Identification of Fire Marshall review requirements (e.g., system design compatibility with current fire suppression techniques, sufficient space around PV system location for fire fighters to move around safely - sufficient distance between array and roof edges, ventilation hatches, skylights, etc.)
- Solar vendor guaranteed performance, including product warranty, decrease of power output warranty
- Guaranteed useful life
- Maintenance requirements (for maintaining peak efficiency)
Financial Analysis

- System total capital cost
- ZREC credits/sale. If ZREC contract not yet secured, include anticipated ZREC pricing (or range).
- Potential excess electricity sale back to the grid (if applicable)
- Annual cost of a maintenance contract with solar contractor, if provided
- Cost for roof upgrade (if required)
- Cost for building structural reinforcement (if required)
- Energy savings analysis
- ROI, payback, IRR, NPV and projected cash flow analysis

Commissioning and Measurement and Verification

- System commissioning plan (in particular, specify metering equipment and how the system will be monitored)

II - Commissioning and Performance Verification Guidelines for Solar PV Systems

The Green Bank requires all C-PACE applicants to incorporate in their projects a commissioning and electricity production M&V plan and be responsible for its execution. As such, Solar PV contractors are required to prepare a commissioning plan and electricity production M&V plan that at the minimum provides a description of the required commissioning activities to ensure the system has been installed as designed and is operating properly, and verify that the projected electricity production performance is achieved. The methodology presented below attempts to balance the competing goals of cost versus technical precision, particularly in view of the relatively small size of most solar PV projects and the fact that energy performance guarantees are typically not provided.

The commissioning plan and M&V plan for Solar PV systems should consist of four steps: (1) verification of equipment installation and O&M requirements; (2) verification/documentation of the utility interconnect; (3) verification of the system’s capability to perform according to its specifications; and (4) system performance tracking. The first three steps need to be addressed in the commissioning plan. The last step needs to be addressed in the M&V plan.

1. Verification of equipment installation and O&M requirements
   - Verification that equipment installed is as specified in the proposal/purchase order (e.g., manufacturer, nameplate rating, numbers of modules, cells, etc.)
   - Installation checklist
   - Verification in writing and signed by the project developer that the installation is complete (preferably via an installation punch list), safe and has all required permits
   - Documentation of “as built” condition (providing “as built” drawings, including array layout/one-line electrical diagram or schematic, and photographs)
2. Verification/documentation of the utility interconnect
   - Interconnect Agreement
   - Compliance (letter) for ZREC metering requirements (optional)
   - Utility Witness Test Results/Findings (letter)
   - Net metering agreement
   - Final Approval Letter

3. Verification of system performance according to specifications
   - Equipment spec sheets, including monitoring system information
   - Commissioning data sheet
   - PV array test report
   - Miscellaneous system test reports

4. Track system electricity production performance
   - Track PV system electricity production using an approved Green Bank monitoring system (for eventual integration into the CDMP)
   - Compare Solar PV performance results with projected PV model results.
   - Determine energy savings per month (equivalent to electricity production and the applicable value of ZREC

III - C-PACE Solar PV Savings-to-Investment Ratio (SIR) Calculation Guidelines

The Green Bank recommends using the Solar SIR Calculator posted to the C-PACE website.

Determine “Savings” as follows:

1. Add:
   - Avoided annual electricity costs, assuming a maximum of 3% annual escalation of utility electric prices (include both initial price basis and specific annual performance degradation of at least 0.5%)
   - Annual demand charge reduction (if claimed, include the specific model demonstrating how this reduction will be achieved)
   - Annual revenue from excess electricity sales back to the grid at the wholesale rate, if applicable (again, assuming no more than a 3% annual escalator)
   - Annual revenue from sale of renewable energy credits (if necessary to achieve SIR > 1, proof of ZREC contract will be required prior to closing of C-PACE funding)

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3 For non-solar PV Savings-To-Investment Ratio calculation guidelines, contact the CPACE team directly by emailing Nicholas Zuba at nicholas.zuba@ctgreenbank.com
- Any other system-related project revenues
- If the property owner has the ability to monetize the federal Investment Tax Credit and/or MACRS depreciation benefits (as evidenced by previous years’ federal tax returns), include the value of those tax savings for each year in which they will be applied. This should be noted in the form “Documentation of Ability to Monetize Federal Tax Credits Associated with Clean Energy Installations” at the end of the initial application (Appendix D)

2. Model annual cash flows from the system over the lifetime of the solar

Determine “Investment” as follows:

1. Calculate total projected debt service due in respect of the C-PACE financing – including all principal, interest, and any fees over the term of the financing – as well as fixed or variable costs associated with the maintenance or performance of the ECMs over their EUL.
- Up to five years of preventative maintenance costs necessary to maintain system operation at optimum performance can be capitalized into initial financing

\[
SIR = \frac{\text{Savings}}{\text{Investment}}
\]

KEY NOTES ON SIR CALCULATION GUIDELINES:

- Under C-PACE, the system owner (either the property owner or a third-party owner) is entitled to all tax benefits associated with the system. These tax benefits can be incorporated into the SIR calculation as savings if the property owner has demonstrated the ability to monetize those tax benefits.

IV - Third Party Ownership & C-PACE

PA 12-2 does not require the legal owner of the building to own the equipment associated with a qualified energy upgrade; as the “benefitted property owner” as defined in the Act must only “[desire] to install energy improvements” and provide “free and willing consent to the benefit assessment authorized by the Act against the qualifying commercial real property.” As such, the Green Bank will permit a solar installation or other qualifying renewable energy system to be financed and repaid through C-PACE, while the system itself is owned by a third party provider under circumstances provided below.

Owner Consent

The benefitted property owner must provide consent to the benefit assessment against the qualifying commercial real property. The Green Bank will recognize owner consent under the following two fact patterns:

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4 The Power Purchase Agreement information has been used exclusively for solar thus far, though it is not specific to solar, and can apply to other PPA projects.
(1) incorporating the consent into the application from the clean energy services company, lessor, or Power Purchase Agreement (PPA) provider (together referred to as “PPA Provider”) to the Green Bank; or

(2) as a separate consent from the benefited property owner in favor of the Green Bank, the applicable municipality, and the applicable lender when the financing is made.

If a benefited property owner wishes to finance a solar PV system through C-PACE using a PPA structure, the final C-PACE documentation – whether the initial application was initiated by the property owner, or the PPA Provider – must incorporate the property owner’s consent that repayment of C-PACE financing will occur through a benefit assessment collected by the relevant municipality, to be remitted to the Green Bank and from there on to the applicable lender. This is in place of a traditional PPA structure under which a property owner would remit payment directly to the PPA Provider.

**Permanently Affixed**

Since qualifying energy upgrades under C-PACE must be “permanently affixed” to the qualifying commercial property, the PPA must be of at least 15 years in length and contain language requiring the following:

- The PPA be assigned to a buyer or transferee of the property and not result in an automatic termination of the PPA if the property changes ownership or otherwise transfers; and
- The property owner has a right or option to acquire title to the solar PV system at the end of the PPA term.

**Transfer of Payment**

Unlike a traditional PPA, financing a solar PV project via C-PACE will require the PPA to provide for fixed payments from the property owner to the relevant municipality through the C-PACE benefit assessment mechanism. Language in the PPA should therefore include provisions related to a regular “true-up” of these fixed payments with the variable power provided (on a dollar per kWh basis) to the property owner by the solar PV system. Thus, if fixed benefit assessments are to be made to the relevant municipality on a six-month basis, for example, the PPA Provider will be responsible for tracking actual power produced by the solar PV system over that time period. If the cost of the power supplied (as calculated by multiplying the amount of kWh produced by the per-kWh price of power agreed to in the PPA) is greater than the fixed payment made by the property owner to the municipality, then the property owner shall remit the difference to the PPA Provider. If the cost of power supplied is less than the fixed payment, than the PPA Provider shall remit the difference to the property owner. If necessary, the Green Bank can serve as a conduit for these “true up” payments. See models below for a visual representation of these flows of funds.
V - Solar Lease II Installer Process

Installer Process Guidelines for Project Approvals
Using the Green Bank’s CT Solar Lease Fund under C-PACE

I. Before undertaking a commercial-scale project using CT Solar Lease (SL2) financing, an installer must become eligible to offer SL2 financing for both lease and PPA projects. Contractor eligibility requirements are online here:


This eligibility process includes two steps:

1. Submitting a complete response to the Contractor Eligibility RFQ; and
2. Submitting a signed Contractor Agreement along with all relevant Exhibits.

Eligibility documents should be submitted to the Green Bank’s Finance Team. Renew Financial (f/k/a AFC First) will review installer submissions for completeness, request missing documentation, and confirm installer eligibility directly.

II. Then, on a project-by-project basis, the approval / closing / funding process will work as follows (with installer responsibilities in bold):

1. Installer requests indicative pricing from the Green Bank Finance Team, based on the following project criteria:
   a. System size (kW STC)
   b. Expected first-year generation (kWh)
   c. ZREC amount (awarded or estimated)
   d. EPC price
   e. Commercial or not-for-profit / municipal customer

2. The Green Bank Finance Team quotes indicative price

3. Installer reviews form of lease or PPA document with customer, along with indicative pricing

4. Customer (with support from installer) submits completed C-PACE application (online at [www.c-pace.com](http://www.c-pace.com)), including all supporting documentation listed in “Step 3 Building Financials” section (e.g. property financials, appraisal, etc. etc.)

5. The Green Bank C-PACE team prescreens the property to confirm its eligibility for C-PACE financing under SL2

6. Once likelihood of property eligibility established, installer submits project details:
   a. Signed Lease or PPA Work Order (Exhibit A to the Contractor Agreement), directly to the Green Bank Finance Team via e-mail
b. Solar Feasibility Study (as described in Exhibit H Section I), directly to the Green Bank Finance Team via e-mail
c. Project overview, via PowerClerk

7. The Green Bank Finance Team completes financial underwriting on basis of C-PACE criteria
   a. No external review by Sustainable Real Estate Solutions (SRS) or use of C-PACE Data Management Platform (CDMP) required, except when including other Energy Conservation Measures
   b. No internal Green Bank Deployment Committee or Board of Directors approval required
   c. Mortgage lender consent must be obtained at this time

8. Once underwriting and project review completed, the Green Bank leasing subsidiary (CT Solar Lease 2 LLC) signs lease or PPA agreement directly with customer
   a. Lease or PPA will incorporate key elements of standard C-PACE Financing Agreement, including all documentation relating to Benefit Assessment process

9. Simultaneous to customer closing, the Green Bank development subsidiary (CEFIA Holdings, LLC) signs EPC contract with installer
   a. EPC contract can be based on standard installer contract, including appropriate milestone payments

10. Either customer or installer, as appropriate, assigns ZREC contract over to the Green Bank leasing subsidiary (CT Solar Lease 2 LLC)

11. The Green Bank Legal Team submits Benefit Assessment Lien to municipality, including [semiannual] customer payment schedule based on lease or PPA pricing
   a. For PPAs, “true-up” provision ensures that the customer neither overpays or underpays for the clean energy generated by the solar PV system

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5 Use the RSIP program choice, but prefill the system owner page with the “CT Solar Lease” option, and then select “commercial” under the Utility Sector drop-down on the customer site info page (unless the project is on a multi-family property, in which case please select the “residential” sector and “multi-family” subsector)

6 All projects, whether single-measure solar or multi-measure, will get loaded into the CDMP. However, for single-measure solar projects, the Green Bank or SRS staff will simply transfer relevant data from PowerClerk upon project approval
VI - Fuel Cell Feasibility Study Requirements

Connecticut PACE legislation requires that C-PACE financing for installation of a renewable energy project be based upon a renewable energy feasibility analysis that assesses the energy cost savings over the project’s useful life. Fuel cells are grouped in the renewable energy category.

For installation of a fuel cell (such as may be part of a CHP project), the Green Bank recommends that the feasibility study at the minimum address the following components:

I. Building Site Suitability Assessment

A. Building Characteristics

1. Location (address)
2. Building owner (name, contact)
3. Property type (office, retail, hotel, multifamily, industrial, etc.)
4. Number of building operating hours per day, week, month, year
5. Date of last major building renovation
6. Occupancy (preferably over the last three years, but over the last year as a minimum)
7. Gross square feet
8. Rentable square feet

B. Building Conditions

1. Location for fuel cell system
   - Roof-top
   - Ground
   - Building Interior
   - Adequacy of accessibility

2. Fuel cell system support/foundation
   - Roof-top
     - Roof materials of construction
     - Roof condition (remaining useful life)
     - Structural adequacy to support installed fuel cell system
   - Ground
     - Description and condition of area (paved surface vs. open ground)
     - Description of any necessary work to support fuel cell assembly
   - Building Interior
     - Description and condition of area of installation (including ventilation system and safety protection (fire, CO) system)
     - Description of any necessary work to support fuel cell system
• Description of major energy-consuming equipment (electric and thermal)
• Efficiency of existing heating system, i.e., boilers
• Description of electricity metering (number of boxes, location, etc.)
• Description of major heating load requirements
• Most recent utility electricity rate structure for property
• Most recent fuel (natural gas or other) rate structure for property
• Historic monthly electricity use and cost (in accordance with ASTM E2797-15)
  □ Use data
  □ Peak demand data
  □ 15 minute (or hourly) interval data for a year, if available
• Historic monthly fuel use, i.e., natural gas or other, and cost (in accordance with ASTM E2797-15)

3. Building historic energy use and cost

II. Fuel Cell System

• Fuel cell type – phosphoric acid, molten carbonate, proton exchange membrane, solid oxide, other
• System description (vendor, size, number of cells, etc.)
  ▪ Estimated useful life
• Basis for system kW size selection
• Description of heat recovery system (i.e., for CHP), if applicable
  ▪ Use of heat – space heating, DHW, pool heating, etc.
  ▪ Estimated useful life of heat exchangers
• Noise level (dBA)
• Electric and total CHP efficiency, amount of energy displaced (electricity and gas)
• Schematic of system
• Controls and monitoring
• Necessary site modifications
• Air emissions (fuel cells exempt in CT from air permitting)
• Inverter information (capacity, efficiency, useful life, etc.)
• Distance from closest power line hook-up point (electrical run)
• Building code compliance and permit requirements
• Fuel cell vendor guaranteed performance, including product warranty
• Maintenance requirements
  ▪ Routine maintenance requirements, e.g., air and fuel filters, reformer igniter or spark plug, etc.
  ▪ Anticipated time before major overhaul for:
    ▪ Shift catalyst replacement
    ▪ Reformer catalyst replacement
    ▪ Fuel cell stack replacement
III. Financial Analysis

- System total cost breakdown
  - Capital cost of the equipment
  - Installation costs (including engineering, construction, commissioning, related site modification work (e.g., building roof and structural modifications, or ground foundation work), contingency, etc.)
- Total cost in $/kW
- Available utility rebates/incentives
- Will the investment tax credit be used?
- Will accelerated depreciation be used?
- REC credits/sale
- Excess electricity sale back to the grid – covered under net metering (if applicable)
- Cost of a full maintenance contract (including both routine maintenance and major overhauls such as restacking) over the financing term or estimated useful life of the system if greater than the financing term
- Building monthly energy savings analysis including assumptions on avoided future utility electricity costs, any rate escalations (specifically discussing demand charge reduction and electricity cost savings basis)
- ROI, payback, IRR, NPV and projected cash flow analysis

IV. Commissioning and Monitoring

- System commissioning (Cx) plan (in particular, specify metering equipment and how the system will be monitored)
- Electricity production monitoring plan (electricity meter specification)
- If heat is also being recovered, plan to monitor heat being recovered
- Energy savings measurement and verification (M&V) plan
Appendix G: C-PACE QUALIFIED CAPITAL PROVIDERS

Standard Offer Capital Providers

Greenworks Lending, LLC
Clean Fund Commercial PACE Capital, Inc.

Qualified Capital Providers

Ameresco, Inc.
Banc of America Public Capital Corp.
Bostonia Partners LLC
Citigroup Inc.
Counterpointe Energy Solutions LLC
Darien Rowayton Bank
Deutsche Bank
First Viridian Financial, LLC
Hannon Armstrong Sustainable Infrastructure Capital, Inc.
Healthy Planet Partners, LLC
Inland Green Capital LLC
Kawa Capital Management
Macquarie Group Limited
Nexos Resource Partners, LLC
PACE Connecticut
Peoples United Financial, Inc.
Renew Energy Partners LLC
Structured Finance Associates
Urban Atlantic
Wells Fargo
Appendix H: STANDARD OFFER AND ADMINISTRATIVE AGREEMENT

Connecticut Green Bank – [Capital Provider]

Summary of Terms and Conditions for Origination, Funding and Administration of C-PACE Transactions

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 commercial, industrial, not-for-profit and multifamily 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, Borrower and the Capital Provider, is as follows:

1. Capital Provider or Borrower may submit a completed C-PACE Application and all associated documents described in Capital Provider’s or Borrower’s Obligations for any Eligible Project, as such terms are defined below.
2. Program Administrator shall review such documents and, in its sole discretion, provide Program Administrator Approval of the Eligible Project (thereby becoming an “Approved Project”).
3. Capital Provider may then enter into a Financing Agreement with Borrower (thereby becoming a “Closed Project”).
4. Capital Provider shall enter into an Administration Agreement with the Program Administrator for such Closed Project, with a Credit Enhancement if applicable.
5. Program Administrator would facilitate the filing, and assignment to Capital Provider of Benefit Assessment.
6. 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 Capital Provider will provide, has secured or plans to secure the ability to fund transactions as described in this Term Sheet. If applicable, this capital will be provided from the following sources:

[Name, terms of commitments and amount of Capital Source(s). Please include a letter of intent]

Trustee: [If applicable, Name]

Program Administrator’s Technical Advisor: Any designee as determined from time to time by the Program Administrator.

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

Borrower: The real property owner of an Eligible Project.

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 Borrower or Capital Provider.

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.

Eligibility Criteria: The Eligibility Criteria may be modified from time to time by the Program Administrator to reflect any changes in market conditions but at all times must meet the minimum eligibility criteria in the Act.

Eligible Project: Qualifying improvements, as described in the Act, which conform to Eligibility Criteria and conform to the Program Guidelines.

Underwriting Guidelines: Underwriting Guidelines as they appear in the Program Guidelines, as updated from time to time on www.c-pace.com, attached hereto as Appendix A. The Underwriting Guidelines only apply if Capital Provider seeks to access the Credit Enhancement.
Capital Provider’s or Borrower’s Obligations:

Borrower or Capital Provider (if authorized by Borrower 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 consent form signed by the Borrower and any mortgage holder(s) of any mortgage(s) on the property on which the Eligible Project is located. The mortgage holder consent shall be materially consistent with the form of Appendix D, such consent must be for not less than the financing amount of the Eligible Project for which Borrower 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 Borrower summarizing the risks to Borrower for C-PACE financing in the form of Appendix C, 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, 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). For each Eligible Project the Borrower 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 Program Administrator’s Technical Advisor via the C-PACE Data Management Platform (CDMP). The CDMP is a project development software application that helps Borrowers, Capital Providers, and their contractors develop projects in accordance with the C-PACE Program Guidelines and SIR requirement.
2. Submit the C-PACE Technical Application Form (Appendix E) in its entirety with the audit and/or feasibility study and requisite supporting documentation appended. C-PACE Technical Applications must be prepared and submitted by an “energy engineer”. Per the C-PACE Program Guidelines, an energy engineer is defined as a professional holding a Certified Energy Manager or Certified Energy Auditor accreditation, a Professional Engineer with demonstrated relevant energy experience, or a contractor with relevant demonstrated experience as determined by the Program Administrator in its sole discretion.
3. Propose a process or project development platform through which an audit and/or feasibility study and requisite supporting documentation that demonstrates an SIR > 1 may be provided to the Program Administrator in a...
standard format. Proposals must be consistent with the C-PACE Program Guidelines.

**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 Borrower’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 Capital Provider.

**Program Administrator Approval:**

Once Capital Provider or Borrower has submitted all necessary documents described under Capital Provider’s or Borrower’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 Borrower, 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 Borrower 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 must include a standard rider setting forth 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:**

A benefit assessment which constitutes a valid and enforceable lien which takes precedence over all other liens or encumbrances except municipal property tax liens, as authorized by the Act. The benefit assessment is subject to the consent of existing mortgage holders and does not accelerate upon sale or transfer of the property.
Each benefit assessment will be equal to the principal amount of the benefit assessment for each Approved Project with interest thereon at the contracted rate plus any additional fees and expenses pursuant to the Financing Agreement with equal installments of principal and interest required to fully amortize the assessment over the Benefit Assessment term.

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 with the Trustee for disbursement to the Capital Provider, or the Capital Provider’s designee(s) pursuant to the Administration Agreement.

Credit Enhancement:

If requested by Capital Provider and Conditions of Credit Enhancement are met, Program Administrator may, in its sole discretion, participate in 10% of Capital Provider’s final Benefit Assessment portfolio for Closed Projects closed between January 2015 through June 2016 (inclusive).

Total Program Administrator participation is not-to-exceed one million dollars ($1,000,000) per Capital Provider, unless otherwise agreed to by Program Administrator and Capital Provider.

Such Credit Enhancement will be in the form of either (i) subordinated capital participation or (ii) a loan loss reserve with administration and commitment fees, at Program Administrator’s sole discretion, and will be documented, if applicable, in the Administration Agreement.

The availability of such funds or undertaking if not utilized will expire on June 30, 2016 and is subject to the Conditions of Administrator’s Credit Enhancement and Funding Termination Provisions.

The Credit Enhancement will not be available during the construction period of the Closed Project.

Conditions of Credit Enhancement:

The following conditions will be met before Program Administrator provides a Credit Enhancement:

1. The construction of the Closed Project is complete and verified by Program Administrator.
2. The Benefit Assessment has been filed on the property.
3. Capital Provider must provide an appraisal conducted within the last two years for each Closed Project property. At Program Administrator’s discretion, the Municipality assessor’s card may be acceptable to determine property value.

4. Diligence materials representing and warranting that the project’s Loan to Value ratio, including the Benefit Assessment, does not exceed 80%. Such material must include, if applicable, certified true and correct current statements of any outstanding mortgage debt obligations.

5. Capital Provider must represent and warrant that each Closed Project meets the Underwriting Guidelines and provide an outline of the financial underwriting supporting such conclusion. Exceptions to the Underwriting Guidelines may be approved by the Program Administrator in its sole discretion.

6. Any additional documents required by the Program Administrator in its reasonable discretion.

PROGRAM ADMINISTRATOR COSTS

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

1. $200 per Closed Project for the filing and servicing of Benefit Assessment to be paid by Capital Provider pursuant to the mutual execution of the Administration Agreement.

2. $25/month for billing and collection of the Benefit Assessment over the Benefit Assessment term 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 Borrower upon submission of energy audit/feasibility study and supporting documentation:
   a. If utilizing the CDMP, the lesser of 1.00% of the C-PACE Finance Amount (less Capital Provider’s fees) or $5,000, but no less than $1,500.
   b. If utilizing the C-PACE Technical Application (Appendix E), the lesser of 1.25% of the C-PACE Finance Amount (less Capital Provider’s fees) or $7,500, but no less than $1,500.
   c. If proposing a separate process, this fee will be negotiated with the Connecticut Green Bank.

4. Access to the Credit Enhancement, if applicable, will carry an application fee of $5,000 per Closed Project, to be paid by the Capital Provider.

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: The Capital Provider will provide, or cause to be provided, 100% of the Benefit Assessment including any fees upon the closing date of each Financing Agreement and drawdown by the Borrower, subject to the Conditions of Capital Provider’s Funding and Funding Termination Provisions.
Conditions of Capital Provider’s Funding: The following conditions will be met before Capital Provider provides any Capital Provider Funding:

1. Verification that Capital Provider or Borrower received Program Administrator Approval for the Eligible Project.
2. A Financing Agreement has been signed by the Borrower and notarized.
3. At Capital Provider’s discretion, confirmation that the Benefit Assessment lien has been filed on the property and assigned to Capital Provider.
4. If Capital Provider is using the Credit Enhancement, proof of Capital Provider’s funding or commitment for funding from a third party.
5. Signed service agreement or construction contract between Borrower and energy service provider.

Capital Provider’s Rate: Interest rates for the Capital Provider’s Funding will be determined by the Capital Provider.

Term: Term of the Benefit Assessment will not exceed 20 years, or the weighted-average useful life of any Approved Project, whichever is less.

Closing Fees: The Capital Provider is able to charge closing fees at their discretion to the Borrower.

Prepayment: Capital Provider may charge a prepayment penalty at its discretion.

If the Credit Enhancement is used, Program Administrator will be paid, for its exposure reduced, pari-passu with Capital Provider in the event of a prepayment.

Collections, Repayment and Amortization Schedule: 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 Program Administrator’s Servicer.

Payments from the Program Administrator’s Servicer (subject to receipt from the Municipality) will be received by Trustee or Capital Provider no later than 20 business days after receipt of any such payments.

Distribution: If the Program Administrator participates in Capital Provider’s Benefit Assessment portfolio for Closed Projects, then on any payment date, using available collections from the tax collector as remitted by Program Administrator’s Servicer to the Capital Provider (or if applicable, the Trustee), the Capital Provider (or if applicable, Trustee) shall disburse such funds for each Benefit Assessment as follows:

1. To the Capital Provider, the relevant share of interest collected in connection with such Benefit Assessment.
2. To the Capital Provider, the relevant share of principal collected.
3. To the Program Administrator, if applicable, the relevant share of interest.
collected in connection with such Assessment.

4. To the Program Administrator, if applicable, the relevant share of principal collected in connection with such Assessment.

**Exclusivity:**

For any Borrower 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 Borrower for a period of six months (measured from the date of a complete submission of all documents outlined in Capital Provider’s or Borrower’s Obligations). This section does not apply if (1) the same Borrower 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 Borrower’s Obligations for an Eligible Project within a commercially reasonable time.

**Funding Termination Events:**

The occurrence of any of the following:

1. A final judgment by a court of competent jurisdiction that the Assessments are not valid and enforceable under Connecticut law, or any unstayed injunctive relief, the effect of which would be to prevent servicing or collection of any Benefit Assessments.
2. The dissolution of the Capital Provider by insolvency, bankruptcy, failure to maintain applicable licenses, etc.
3. A respective breach of any covenant by the Program Administrator or Capital Provider (subject to applicable cure).
4. Any final judicial or legislative determination that the Benefit Assessments are not a valid and enforceable lien, subject to the consent of existing mortgage holders, which take precedence over all other liens or encumbrances except for taxes of the municipality on real property.
5. Force majeure or similar change of circumstance which make the ability or likelihood of continued funding infeasible.
6. A material adverse change in (a) the business, properties, operations, prospects or condition (financial or otherwise) of the Program Administrator or the Capital Provider, taken as a whole, or (b) the ability of the Program Administrator to perform, or to enforce, any obligations.
7. Program Administrator or Capital Provider may give notice of termination at any time prior to an execution of a Financing Agreement for a particular Eligible Project, if, in the sole determination of the Program Administrator (given in writing by and through a duly authorized officer) or the Capital Providers, the negotiation of such Financing Agreement cannot be accomplished in good faith. In the event such notice is provided, any obligation to fund or to use the funding addressed herein shall terminate, and each party shall be responsible for its own costs incurred prior to termination.

Upon the occurrence of Funding Program Termination Event, the Capital Provider and the Program Administrator shall have the right, but not the obligation to cease all future funding. The Capital Provider and the Program Administrator shall continue to be bound by their respective obligations with respect to the Closed Projects with executed Financing Agreements.
Representations:
The Program Administrator shall provide representations to the Capital Provider that shall include but are not limited to:

1. Each Benefit Assessment is a legal, valid and binding obligation and enforceable in accordance with provisions of Connecticut law.
2. No Eligibility Criteria have been waived, altered or modified in any respect, except as approved by the Program Administrator and the Capital Provider.

The Capital Provider shall represent that any Eligible Projects will be submitted to the Program Administrator in good faith and with a willingness to fund, subject to Eligibility Criteria, Program Guidelines, Administration Agreement, Underwriting Guidelines (if applicable) and this Term Sheet.

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 Program Administrator’s Technical Advisor and Program Administrator’s Servicer to perform its functions in a prudent manner.
6. Use of all reasonable means to resolve disputes with the property owner, contractors, vendors, or public officials in favor of full and timely payment to the Capital Provider and Program Administrator.
Account Remediation/Dispute Resolution: The Capital Provider will have the right to participate in any formal or informal dispute or disagreement involving any private party or public official, including the Town Clerks, Tax Collector or Property Assessors (or the functionally equivalent official) in the Municipality in order to represent the interests of the Capital Provider, in any matter associated with the Benefit Assessments, the prompt and proper posting and collection of same and the timely and accurate disbursement of such revenues, including the filing or participation as an intervener or amicus in any administrative, injunctive, or court proceeding Capital Provider deems necessary to protect its interests or otherwise compel the collection and delivery of any revenue pledged to support the repayment of any obligations of the Program Administrator.

Documentation: This Term Sheet is subject to mutually agreeable final documentation, including but not limited to:

1. Satisfactory legal opinions if requested by the Program Administrator.
2. Completion of due diligence.
3. Satisfactory legal documentation, including the Administration Agreement.

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 Provider's 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

[CAPITAL PROVIDER/OR BORROWER]

Signature ____________________________
Name:                          ____________________________
Title:  President and CEO
Date: " "
Appendix A
Connecticut Green Bank’s Underwriting Guidelines

Connecticut Green Bank’s financial underwriting requirements for projects financed or supported with The Connecticut Green Bank capital are as follows:

1. There must be no unresolved payment issues concerning debts to or guaranteed by the Connecticut Green Bank or any other third parties. For the purpose of these standards, “material” means the greater of (a) 10% of the proposed C-PACE financing or (b) $50,000.

2. Total debt, including the C-PACE assessment, does not exceed 80% of the property’s value. This can utilize or may require an as-complete appraisal, which can be wrapped into the overall C-PACE assessment amount.

3. Absent special circumstances, including but not limited to a property unencumbered by a mortgage or other compelling economic or financial conditions, the Benefit Assessment must not exceed 35% of the value of the property, after giving consideration to the value increment that may be afforded by the enhancements to the property being financed. In the Green Bank’s sole discretion, the C-PACE assessment may exceed 35% of the property’s value if at least three of the following eight conditions are met:

   i. Cash flow conditions

      1. A long-term revenue contract with investment grade counterparty is in place

      2. The savings to investment ratio of the project is greater than or equal to 1.25x

      3. The debt service coverage ratio of the project is greater than or equal to 1.75x

   ii. Asset conditions

      1. The total liabilities to tangible net worth ratio of the project is less than or equal to 1.5x

      2. The building has been owner occupied for 10 years or more

   iii. Project conditions

      1. The owner provides an equity contribution greater than or equal to 15% of total project costs
2. There is a savings or production guarantee; third-party performance insurance, or agreement with a national ESCO in place

3. The term of the C-PACE assessment is 10 years or less

4. Applicant financial performance should meet the following criteria, as applicable:
   a. Positive operating profit and net income in each of last 2 fiscal years
   b. Positive cash from operations in each of last 2 fiscal years
   c. EBITDA/debt service (including the proposed C-PACE assessment after considering savings that are expected to result from the financing) of at least 1.25x for last fiscal year
   d. Current ratio of at least 1.25:1.00
   e. Total Liabilities / Tangible Net Worth not in excess of 2.00:1.00 (single or special purpose entities holding only real estate investments should generally be limited to 4.00:1.00)
   f. Interim statements disclose no material adverse change in financial condition

5. Boiler Lite and Solar Lite projects may undergo an accelerated underwriting process if they meet the following criteria:
   a. Lien-to-Value ≤ 20%
   b. Total Project Size ≤ $300,000
   c. SIR ≥ 1.0
   d. Current on mortgage and taxes

Most recent two years of financials show no adverse condition (at finance team’s discretion)

In conducting its financial underwriting of potential C-PACE projects, the Connecticut Green Bank will consider the property’s financial strength in a holistic and comprehensive fashion. For properties where a given underwriting criterion is not met, the Connecticut Green Bank may still approve the property for C-PACE financing if the property shows sufficient strength with regard other required metrics.

All C-PACE applicants must fill out a financial application, which can be found in the Initial Application (Appendix D to the Program Guidelines).
Appendix B

FORM OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

THIS C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT ("Agreement") is made as of the ____ day of __________, 2015, by and between the Connecticut Green Bank ("Green Bank") and ______________________ ("Capital Provider").

BACKGROUND

1. The State of Connecticut has authorized a property assessed clean energy program for commercial or industrial properties (the "Program") in Section 16a-40g of the Connecticut General Statutes, as amended (the "Act").

2. Pursuant to the Act, Green Bank has established the Program, approved appropriations to provide financing under the Program and entered into an agreement with the municipalities in which qualifying properties are located to provide for the filing of benefit assessments and benefit assessment liens (as hereinafter provided) against the qualifying properties on the land records of the municipalities to secure the repayment of the benefit assessments.

3. ______________________ (the "Borrower") owns real property located in the State of Connecticut known as [Address] and more particularly described in the hereto attached Appendix E (the "Property"). In accordance with the requirements of the Program, Borrower proposes to renovate or retrofit the Property to increase energy efficiency or to install a renewable energy system to service the Property, which renovation, retrofit or installations will be fixed to such Property (the "Project") and has applied to Green Bank and the Capital Provider for financing the Project through a financing agreement and benefit assessment (the "Financing Agreement") to be secured by a benefit assessment lien (the "Benefit Assessment").

4. Green Bank has entered into an agreement with the [City/Town of Name] (the "Municipality"), where the Property is located, to file a benefit assessment lien against the Property upon completion of the Project, or at an earlier date, in accordance with the Act, and has agreed to cooperate with the Capital Provider in order for the Capital Provider to provide financing under the Benefit Assessment to the Borrower on the terms and conditions set forth in the Financing Documents, as hereinafter defined.

5. Capital Provider has entered into a Financing Agreement with the Borrower (collectively, the "Financing Documents") pursuant to which Capital Provider will advance funds for the Projects for the benefit of the Borrowers pursuant to the Financing Agreement.
6. Borrower and Capital Provider has obtained consent from all existing mortgage holder(s) and, to the extent that any Property is encumbered indirectly by a mezzanine loan secured by a mortgage, from such mezzanine lenders, to the Benefit Assessment in accordance with the Act.

7. Capital Provider desires Green Bank to file a Benefit Assessments against the Property, assign to the Capital Provider such Benefit Assessment and the related lien, and collect and receive for the benefit of Capital Provider the sums payable under the Financing Documents, the Benefit Assessments and the related lien and to remit the sums collected and received pursuant to the Financing Documents, the Benefit Assessments and the related lien to the Capital Provider as provided for herein.

NOW, THEREFORE, the parties do hereby agree as follows:

1. **Assignment of Benefit Assessment and Benefit Assessment Lien.**

   (a) Within three (3) Business Days after the execution of this Agreement, the delivery of the documents described in Section 4 hereof and approval of the Project by Green Bank, Green Bank will provide notice to the Municipality and the Municipality will levy the Benefit Assessment and file a lien on the Property in an amount sufficient to pay the estimated costs of the Project, Financing Documents, and any associated costs (including financing costs) Green Bank determines will benefit the Property (the “Benefit Assessment Lien”). The Benefit Assessment Lien shall include a schedule of payments due and payable pursuant to the Benefit Assessment, the Financing Documents and the real property tax billing cycle of the Municipality. A copy of a Benefit Assessment Lien is attached hereto materially in the form of Appendix A. The Municipality shall assign to Green Bank all powers and rights under the Benefit Assessment Lien by filing an Assignment of Benefit Assessment Lien, attached hereto materially in the form of Appendix B, on the land records of the Municipality. The Green Bank will assign to Capital Provider all powers and rights under the Benefit Assessment Lien by filing an Assignment of Benefit Assessment Lien, attached hereto materially in the form of Appendix C, on the land records of the Municipality. The Capital Provider may amend the Benefit Assessment Lien to adjust the payment schedule of the Benefit Assessment in accordance with the terms of the Benefit Assessment, Benefit Assessment Lien and Financing Documents. In such event, the Capital Provider shall provide to the Green Bank an executed Confirmation and Amendment of Benefit Assessment Lien and Payment Schedule, attached hereto materially in the form of Appendix D, which shall include the payment schedule of the Benefit Assessment consistent with the terms of the Benefit Assessment, Benefit Assessment Lien and Financing Documents. The Green Bank shall promptly file such Confirmation and Amendment of Benefit Assessment Lien and Payment Schedule on the land records of the Municipality. Any such Confirmation and Amendment of Benefit Assessment Lien and Payment Schedule must be provided to Green Bank no less than sixty (60) days before the real property tax billing cycle in which the next payment is due pursuant to such Confirmation and Amendment of Benefit Assessment Lien and Payment Schedule. Green Bank shall provide to Capital Provider filed copies of the Benefit Assessment Lien and any Confirmation and
Amendment of Benefit Assessment Lien and Payment Schedule, promptly after receiving such recorded filings from the Municipality.

(b) The Capital Provider shall have and possess the same powers and rights at law or in equity as Green Bank and the Municipality and its tax collector would have had if the Benefit Assessment Lien had not been assigned with regard to the precedence and priority of such Benefit Assessment Lien, the accrual of interest and the fees and expenses of collection. The Capital Provider shall have the same rights to enforce such Benefit Assessment Lien as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys' fees incurred by the Capital Provider as a result of any foreclosure action or other legal proceeding and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the Capital Provider at any time after demand for payment has been properly made by the Capital Provider.

2. **Green Bank’s Warranties and Representations; Disclaimer.**

(a) **Warranties and Representations.** Green Bank hereby warrants and represents that:

(i) Green Bank is a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut; and has full power and authority to enter into this Agreement and to carry out the terms and conditions contained herein;

(ii) no approval of, or consent from, any governmental authority is required for the execution, delivery or performance by Green Bank of this Agreement; and

(iii) the execution, delivery and performance by Green Bank of this Agreement and the transactions contemplated hereby (A) do not contravene any provisions of law applicable to Green Bank, and (B) do not conflict and are not inconsistent with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which Green Bank is a party, by which Green Bank may be bound, to which Green Bank or its property may be subject, the Act or Green Bank’s bylaws.

(iv) this Agreement, the Benefit Assessment, the Benefit Assessment Lien, and the Green Bank’s role hereunder comply with the Act. In the event of a conflict between this Agreement and the Act, the Act shall govern.

(b) **Disclaimer.** Except as set forth in this Section 2 or expressly provided in the Financing Documents: (i) Green Bank has not heretofore made, nor does it make by this Agreement, any representations or warranties with respect to the Properties, including any
warranty of title or any environmental matters, and (ii) Green Bank makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of the Borrower, or with respect to the performance or observance by the Borrower of their obligations under the Financing Documents, after the date of execution of this Agreement.

3. **Capital Provider’s Warranties and Representations.**

With respect to this Agreement, Capital Provider hereby warrants and represents that effective on the date on which Capital Provider executes this Agreement:

(a) (i) Capital Provider (A) is an entity (corporation, limited liability company, partnership) duly incorporated or organized, validly existing and in good standing under the laws of its state of incorporation or organization, and (B) has full power, and all licenses necessary, to own its properties to carry on its business as now being conducted and has full power to enter into this Agreement and to carry out the terms and conditions contained herein; and (ii) the execution of this Agreement on its behalf and its participation in the transaction specified herein and therein is in its ordinary course of business and within the scope of its existing corporate authority;

(b) there is no action, suit or proceeding pending against Capital Provider before or by any court, administrative agency or other governmental authority which brings into question the validity of, or might in any way impair, the execution, delivery or performance by Capital Provider of this Agreement;

(c) no approval of, or consent from, any governmental authority is required for the execution, delivery or performance by Capital Provider of this Agreement;

(d) the execution, delivery and performance by Capital Provider of this Agreement and the performance by Capital Provider hereunder and the transactions contemplated hereby, (i) do not contravene any provisions of law applicable to Capital Provider, and (ii) do not conflict and are not inconsistent with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which Capital Provider is a party, by which Capital Provider may be bound, to which Capital Provider or its property may be subject, or Capital Provider’s charter or bylaws;

(e) this Agreement constitutes the legal, valid and binding obligation of Capital Provider, enforceable against Capital Provider in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally, and by applicable laws (including any applicable common law and equity) and judicial decisions which may affect the remedies provided herein;

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(f) Capital Provider has independently and without reliance upon Green Bank conducted its own credit evaluation of the Borrower, reviewed such information as it has deemed adequate and appropriate and made its own analysis of the Financing Documents;

(g) Capital Provider has not relied upon any investigation or analysis conducted by, advice or communication from, nor any warranty or representation by, Green Bank or any agent or employee of Green Bank, express or implied, concerning the financial condition of the Borrower, or the tax or economic benefits of an investment in the Financing Documents;

(h) Capital Provider has had (or acknowledges by its execution of this Agreement, that Capital Provider will prior thereto have had) access to all financial and other information that it deems necessary to evaluate the merits and risks of an investment in the Financing Documents including the opportunity to ask questions, receive answers and obtain additional information from Green Bank and the Borrower necessary to verify the accuracy of information provided;

(i) Capital Provider acknowledges that Green Bank takes no responsibility for any financial information regarding the Borrower furnished to Capital Provider by Green Bank, and it or its authorized representatives acting on its behalf have such knowledge and experience in business and financial matters necessary to evaluate the merits and risks of an investment in the Financing Documents;

(j) Capital Provider is experienced in making investments in energy upgrade projects similar to the Project and Financing Documents and that it is financially able to undertake the risks involved in such an investment; and

(k) Capital Provider acknowledges that the Financing Documents as well as any other documents signed by the Borrower and required by Green Bank in connection with this Agreement were executed by a duly authorized signatory of the Borrower.

4. Delivery of Documents.

(a) As a condition to Green Bank’s performance of its obligations with respect to this Agreement, all of the conditions precedent enumerated below must be satisfied (in Green Bank’s reasonable discretion):

   (i) Capital Provider shall have delivered to Green Bank all of the following, in form and substance reasonably satisfactory to Green Bank: (A) certified true and correct photocopies of the duly executed Financing Documents which directly relate to the Property and (B) an original of this Agreement duly executed by Capital Provider;

(b) As a condition to Capital Provider’s performance of its obligations with respect to this Agreement, all of the conditions precedent enumerated below must be satisfied (in Capital Provider’s reasonable discretion):
(i) Green Bank shall have delivered to Capital Provider all of the following, in form and substance reasonably satisfactory to Capital Provider: (A) certified true and correct photocopies of the Benefit Assessment Lien and assignment of such lien to Capital Provider which directly relate to the Property and (B) an original of this Agreement duly executed by Green Bank; and

(c) All of Capital Provider’s, Green Bank’s and Borrower’s respective representations and warranties provided herein or in any of the Financing Documents shall be true and correct on the date of the execution of this Agreement.

5. **Covenant.**

No Action. Green Bank and Capital Provider shall not, without the prior written consent of the other, take any action which impairs the rights of the other party (or its assignee or successor) with respect to the Financing Documents in and to which such covenanting party has no right, title or interest. Under no circumstances may Capital Provider file Uniform Commercial Code financing statements against Green Bank in connection with any of the transactions contemplated hereunder.

Future Environmental Land Use Restriction(s). Capital Provider or any future assignee of the Benefit Assessment Lien or the Transaction Documents shall be bound by and irrevocably subordinated to any environmental land use restriction recorded against the Property on the land records of the Municipality pursuant to Conn. Gen. Stat. § 22a-133o.

6. **Tax and Indemnities**

(a) **Charges.** Capital Provider shall pay any and all sales or use taxes or similar taxes, if any, that may be imposed by any federal, state or local government authority on any remittances made by Green Bank to the Capital Provider pursuant to this Agreement.

(b) **Taxes.** With respect to this Agreement, Capital Provider shall be solely responsible for, and shall indemnify, protect, defend, save and keep harmless, Green Bank and each of its affiliates, and their respective officers, directors, employees and agents (each an “Green Bank Indemnitee”) from and against any and all federal, state and local taxes, in each such case, to the extent any of the same are attributable to or otherwise assessed with respect to the period subsequent to the effective date of this Agreement, together with any assessments, penalties, fines additions to tax or interest related thereto, which at any time or from time to time may be imposed on, or asserted against, the Property (or any part thereof or any interest therein) or any Green Bank Indemnitee, by any federal, state, local or foreign government or taxing authority in connection with or relating to the Financing Documents or any of the transactions contemplated hereby and thereby.
(c) **Notice of Claims.** Each of Green Bank and Capital Provider agrees to notify the other party promptly after becoming aware of any taxes or claims, whether pending or threatened that is the subject of indemnification pursuant to this Section 6; provided, however, that the failure by either such party to so notify the indemnifying party will not in any manner affect such indemnifying party’s obligations under this Section 6, except to the extent, if any, the indemnifying party shall have been materially and adversely prejudiced by such failure.

7. **Duties and Limitations.**

The following provision shall apply except to the extent otherwise provided in the Financing Documents:

(a) **Green Bank’s and Capital Provider’s Duties.** It is the intent and purpose of the parties that Green Bank or the Municipality shall bill for, collect and receive for the benefit of Capital Provider the sums payable under the Financing Documents and the Benefit Assessment and Benefit Assessment Lien, but shall otherwise act at the written direction of Capital Provider with respect to all consents, waivers, rights and remedies available to the Capital Provider under such Financing Documents and Benefit Assessment. Unless Green Bank indicates in writing to Capital Provider, Capital Provider shall be responsible for all other servicing duties pursuant to the Financing Documents, such as, if applicable, obtaining insurance renewals and financial statements from the Borrower and arranging for Property inspections. Green Bank shall promptly deliver to Capital Provider all notices, demands and similar items received by it relating to the Financing Documents.

(i) In the event: (x) of an Event of Default under and as defined in the Financing Documents or an event which with the giving of notice or passage of time or both would constitute an Event of Default thereunder (any such event, an “Event of Default”); (y) Green Bank breaches any of its material obligations hereunder; or (z) upon thirty (30) days prior written notice from Green Bank or Capital Provider, and upon written notice by Capital Provider to Green Bank in the case of (x) or (y), Capital Provider may (and in the case of (z), shall) take over the billing and collection duties of Green Bank and, in such event, Capital Provider shall have the sole right, on behalf of Green Bank, to exercise any and all remedies available to it in connection with the billing and collection duties pursuant to this Agreement which are the subject of the Event of Default or notice. If Capital Provider takes over such billing and collection duties pursuant to this Agreement then the Green Bank shall have no obligations to bill or collect pursuant to this Agreement. In such event, the Capital Provider, in its sole capacity, shall continue such billing and collection for the term of the Financing Documents, however all payments made pursuant to the Financing Documents shall continue to be made to the Municipality’s tax collector. Capital Provider shall (1) promptly notify the Green Bank in writing of any agreement(s) with the Borrower for payment of any
delinquent amounts pursuant to the Financing Documents and the Benefit Assessment, (2) promptly notify the Borrower in writing that all payments made pursuant to the Financing Documents, or any subsequent agreements for payment of any delinquent amounts, must be made to the Municipality’s tax collector, and (3) promptly notify the Green Bank in writing of any judicial proceeding(s) to enforce the Financing Documents and Benefit Assessment, including, but not limited to, foreclosure and a suit on the debt.

(ii) In an Event of Default the Green Bank shall have no obligation to bill or collect from the Borrower; however Green Bank shall continue to work with the Municipality to send standard benefit assessment bills and delinquency notices to the Borrower. In an Event of Default, the Capital Provider may request, and Green Bank in its sole discretion may accept, Green Bank to pursue billing and collection of delinquent payments from the Borrower. If Green Bank agrees to provide billing and collection services to Capital Provider after an Event of Default has occurred then Capital Provider shall reimburse Green Bank for all costs, fees and expenses associated with such billing and collection services.

(iii) If either party has actual knowledge of an Event of Default, it shall promptly notify the other party thereof.

(b) Payments. All monies received by Green Bank on the Financing Documents shall be held by Green Bank, or its designee, for the benefit of the Capital Provider for the purpose for which they were paid, but need not be segregated in any manner from any other monies of Green Bank and may be deposited by Green Bank, or its designee, in any general account maintained by Green Bank or, its designee, (the “Collection Account”). Green Bank, or its designee, shall pay all moneys from Collection Account due from the Borrower under the Financing Documents within five (5) Business Days of receipt of such good funds in the Collection Account (each such date, a “Payment Date”), provided that Green Bank, or its designee, has collected payment in good funds from the Borrower or the Municipality, such as a received wire or cleared check. Notwithstanding the forgoing, if the applicable Payment Date is not a Business Day, then the Payment Date shall be deemed to be the next Business Day. As used herein, “Business Day” shall be deemed to mean any day other than a Saturday, Sunday or holiday in which Green Bank or Capital Providers are closed in Connecticut. Green Bank, or its designee, shall make such monies available to Capital Provider by wire transfer of such monies to Capital Provider at such account as Capital Provider may specify in writing from time to time. If Green Bank, or its designee, fails to make such payment (or any part thereof) to Capital Provider within five (5) Business Days of such Payment Date, Green Bank shall pay Capital Provider one percent (1%) interest per month on, and in addition to, the amount of such payment (or any part thereof) but not exceeding the lawful maximum, if any.
(c) **Limitations of Liability.** Green Bank undertakes to perform such duties and only such duties as are specifically set forth herein and no implied covenants or obligations shall be read into this Agreement against Green Bank. In performing its obligations hereunder, Green Bank shall use the same level of care as it uses for transactions in which it holds the entire interest for its own account, but shall not be liable to Capital Provider for any action taken or omitted to be taken by it hereunder or pursuant hereto, except for Green Bank’s failure to make sums available to Capital Provider as required under this Agreement or Green Bank’s gross negligence or willful misconduct. The duties of Green Bank shall be mechanical and administrative in nature and Green Bank shall not have by reason of this Agreement a fiduciary relationship with Capital Provider. Green Bank shall not be required to take any action if Green Bank shall have been advised by counsel that such action is contrary to law, the provisions of this Agreement or the provisions of the Financing Documents. As to any matters not expressly provided for by this Agreement, Green Bank shall not be required to exercise any discretion or take any action and in case of any question concerning its rights and duties hereunder, Green Bank may request written instructions from Capital Provider and refrain from taking action until it receives written instructions from Capital Provider. Green Bank shall be fully protected and have no liability to any person for acting or refraining from acting hereunder in accordance with the written instructions of Capital Provider. Green Bank shall, in the absence of knowledge to the contrary, be entitled to rely on any written instructions believed in good faith to be genuine and correct and to have been signed by an officer of Capital Provider.

8. **Titling.**

(a) **Holder of Benefit Assessment.** The Property described in the Financing Documents shall demonstrate that Municipality is the original holder of the Benefit Assessment that is contractually obligated to immediately assign such Benefit Assessment to Green Bank. Upon the assignment described in Section 1 hereof, Green Bank shall assign all of its interest in the Benefit Assessment and the Benefit Assessment Lien to the Capital Provider or its designee, such that the Capital Provider, or its designee, shall become the holder of the Benefit Assessment and Benefit Assessment Lien upon the Property. Green Bank shall be responsible for promptly recording the assignment of the Benefit Assessment Lien in the applicable land records, with the costs of recording to be paid by Capital Provider.

(b) **Appointment and Authorization.** Green Bank shall take any actions reasonably requested in writing by Capital Provider relating to the Capital Provider being named as the holder of the Benefit Assessment and Benefit Assessment Lien relating to the Property.

9. **Green Bank’s Costs.**

(a) Upon the execution of this Agreement Capital Provider shall pay Green Bank $200 for Green Bank’s duties and services provided pursuant to this Agreement, including but not limited to the filing and assignment, to Capital Provider, of the Benefit Assessment Lien. Any costs associated with filing any Confirmation and Amendment of Benefit Assessment Lien and Payment Schedule shall be paid by the Capital Provider. Additionally, the Capital Provider shall
pay Green Bank $25 per month for Green Bank’s duties and services provided pursuant to this Agreement, including but not limited to the collection of funds pursuant to such Benefit Assessment Lien, this monthly fee shall be collected by the Green Bank from the funds deposited in the Collection Account pursuant to the Benefit Assessment and Benefit Assessment Lien, before such funds are remitted to the Capital Provider pursuant to Section 7 of this Agreement. Any additional expenses incurred by Green Bank in connection with its performance of its duties obligations under this Agreement shall be borne by Capital Provider and Capital Provider shall reimburse Green Bank for any such out-of-pocket costs and expenses incurred by Green Bank.

(b) No provisions of this Agreement shall require Green Bank (i) to expend or risk its own funds except as necessary in the ordinary course of business as the statewide administrator of the Program or to perform its obligations under this Agreement or (ii) to otherwise incur any financial liability in the performance of any of its duties hereunder. Any expenses incurred by Green Bank in connection with any actions with respect to the Financing Documents to which Capital Provider has requested shall be borne by Capital Provider and Capital Provider shall reimburse Green Bank for any such out-of-pocket costs and expenses incurred by Green Bank.

10. Indemnity.

(a) Capital Provider agrees to indemnify and hold harmless Green Bank 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 Agreement, to the extent not reimbursed by the Borrower, provided that Capital Provider shall not be liable to Green Bank 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 Green Bank or any of its directors, officers, employees or agents; and

(b) Green Bank shall indemnify and hold harmless Capital Provider, its successors and assigns, and all of its directors, officers, employees or agents, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgment, suits, costs, expenses 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 arising out of or resulting from a breach by Green Bank of this Agreement or the gross negligence of willful misconduct of Green Bank or any of its directors, officers, employees or agents.

11. Miscellaneous.

(a) Assignment. Except as provided in this Agreement, neither party may assign or delegate its respective rights or obligations hereunder without the prior written consent of the other party which consent shall not be unreasonably withheld, provided that Capital Provider may assign this Agreement upon notice to Green Bank. Subject to the foregoing, this
Agreement inures to the benefit of, and is binding upon, the successors and permitted assigns of the parties hereto.

(b) Notices. All notices and other communications hereunder shall be in writing, personally delivered or sent by facsimile or certified mail, return receipt requested, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt.

(c) GOVERNING LAW. THIS AGREEMENT AND EACH SPECIFICATION AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CONNECTICUT (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

(d) Entire Agreement. This Agreement and the Assignment and the Notice constitutes the entire agreement between the parties with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.

(e) Titles. Section titles are for convenience of reference only and shall not be of any legal effect.

(f) Further Assurances. The parties further covenant and agree to do, execute and deliver, or cause to be done, executed and delivered, and covenant and agree to use their respective reasonable best efforts to cause their successors and assigns to do, execute and deliver, or cause to be done, executed and delivered, all such further acts, transfers and assurances, for implementing the intention of the parties under this Agreement, as the parties and their successors and assigns reasonably shall request.

(g) Not an Extension of Credit. This Agreement constitutes an assignment of future Benefit Assessments and their related Benefit Assessment Liens and shall in no way be construed as an extension of credit by Capital Provider to Green Bank. In the event of an insolvency of Green Bank, Green Bank shall not claim any such Benefit Assessment or its related Benefit Assessment Lien as an asset of its estate, the parties hereto acknowledging that their intent is to treat assignment as a transfer of Green Bank’s right, title and interest in and to any such Benefit Assessment and its related Benefit Assessment Lien as they relate to the Property.

(h) Transaction Expenses. Each of Green Bank and Capital Provider shall bear and be responsible for its own costs and expenses incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and any other agreements, documents,
certificates and instruments relating hereto, and it shall not have any right of reimbursement or indemnity for such costs and expenses as against the other party.

(i) **Counterparts.** With respect to each of this Agreement, the Notice and any of the other documents to be delivered pursuant to this Agreement, each such agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

(j) **Survival.** The respective representations and warranties of Green Bank and Capital Provider contained in this Agreement shall survive the termination of this Agreement.

(k) **Recitals.** Both parties agree that all of the recitals are hereby incorporated herein and are acknowledged as being true and correct.

(l) **Waiver of Jury Trial.** GREEN BANK AND CAPITAL PROVIDER HEREBY UNCONDITIONALLY WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY OF THE FINANCING DOCUMENTS, ANY DEALINGS BETWEEN GREEN BANK AND CAPITAL PROVIDER RELATING TO THE SUBJECT MATTER HEREOF OR THEREOF, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN GREEN BANK AND CAPITAL PROVIDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY SPECIFICATION OR THE FINANCING DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. **State Contracting Obligations.**

Capital Provider understands and agrees that Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a. Capital Provider agrees to comply for the period of performance with the state contracting obligations in this Section 12. For purposes of this Section 12, Contractor and Capital Provider shall have the same meaning and Contract and Agreement shall have the same meaning.
Conn. Gen. Stat. § 4a-60(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved;

(2) The contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission;

(3) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(4) The contractor agrees to comply with each provision of this section and sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to sections 46a-56, 46a-68e and 46a-68f; and

(5) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and section 46a-56.”
Conn. Gen. Stat. § 4a-60a(a):

“Every contract to which the state or any political subdivision of the state other than a municipality is a party shall contain the following provisions:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation;

(2) The contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;

(3) The contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56; and

(4) The contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56.”

Nondiscrimination Certification. Capital Provider represents and warrants that, prior to entering into this Agreement, Capital Provider has provided Green Bank with documentation evidencing Capital Provider’s support of the nondiscrimination agreements and warranties of the statutory nondiscrimination sections, above. A form of the Nondiscrimination Certification to be signed by the Capital Provider is attached.

Occupational Safety and Health Act Compliance. Capital Provider certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) which has not received one or
more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

13. **Limitation on Recourse.**

All liabilities and obligations of (i) Green Bank under this Agreement are subject and limited to the funding available under Connecticut law and (ii) Capital Provider under this Agreement are limited to its assets and no officer, director, employee, partner, investor or shareholder shall have any personal liability for such liabilities or obligations.

14. **Freedom of Information Act.**

Green Bank is a “public agency” for purposes of the Connecticut Freedom of Information Act (“FOIA”). This Agreement and information received pursuant to this Agreement will be considered public records and will be subject to disclosure under the FOIA, except for information falling within one of the exemptions in Conn. Gen. Stat. Sections § 1-210(b) and § 16-245n(d).

Because only the particular information falling within one of these exemptions can be withheld by Green Bank pursuant to an FOIA request, Capital Provider should specifically and in writing identify to Green Bank the information that Capital Provider claims to be exempt. Capital Provider should further provide a statement stating the basis for each claim of exemption. It will not be sufficient to state generally that the information is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with General Statutes §1-210(b) and § 16-245n(d) must be provided.

Capital Provider acknowledges that (1) Green Bank has no obligation to notify Capital Provider of any FOIA request it receives, (2) Green Bank may disclose materials claimed by Capital Provider to be exempt if in its judgment such materials do not appear to fall within a statutory exemption, (3) Green Bank may in its discretion notify Capital Provider of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but Green Bank has no obligation to initiate, prosecute, or defend any legal proceeding, or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request, (4) Capital Provider will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and (5) in no event shall Green Bank or any of its officers, directors, or employees have any liability for the disclosure of documents or information in Green Bank’s possession where Green Bank, or such officer, director, or employee, in good faith believes the disclosure to be required under the FOIA or other law.

[Remainder of page intentionally left blank, signature page follows.]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CONNECTICUT GREEN BANK [NAME]

By: ____________________________ By: ____________________________
Name: __________________________ Name: __________________________
Title: __________________________ Title: __________________________
STATE OF CONNECTICUT
NONDISCRIMINATION CERTIFICATION — Affidavit
By Entity
For Contracts Valued at $50,000 or More

Documentation in the form of an affidavit signed under penalty of false statement by a chief executive officer, president, chairperson, member, or other corporate officer duly authorized to adopt corporate, company, or partnership policy that certifies the contractor complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended

INSTRUCTIONS:

For use by an entity (corporation, limited liability company, or partnership) when entering into any contract type with the State of Connecticut valued at $50,000 or more for any year of the contract. Complete all sections of the form. Sign form in the presence of a Commissioner of Superior Court or Notary Public. Submit to the awarding State agency prior to contract execution.

AFFIDAVIT:

I, the undersigned, am over the age of eighteen (18) and understand and appreciate the obligations of an oath. I am __________________________ of ________________________________, an entity duly formed and existing under the laws of ___________________________________.

Name of State or Commonwealth

I certify that I am authorized to execute and deliver this affidavit on behalf of ___________________________________, and that ________________________________

Name of Entity

has a policy in place that complies with the nondiscrimination agreements and warranties under Connecticut General Statutes §§ 4a-60(a)(1) and 4a-60a(a)(1), as amended.

___________________________________________
Authorized Signatory

___________________________________________
Printed Name

Sworn and subscribed to before me on this _______ day of __________, 20__.  

___________________________________________
Commissioner of the Superior Court/Notary Public

Commission Expiration Date
APPENDIX A OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

FORM OF CERTIFICATE OF LEVY AND LIEN OF BENEFIT ASSESSMENT

The undersigned Tax Collector of the ________, Connecticut ("Municipality"), with an office at ________, Connecticut, for and on behalf of the Connecticut Green Bank (the "Green Bank"), formerly known as the Clean Energy Finance and Investment Authority, with an office at 845 Brook Street, Rocky Hill, Connecticut 06067, pursuant to the Commercial Property Assessed Clean Energy Program established under Connecticut General Statutes Section 16a-40g, as amended (the “Act”), and the Municipal Agreement between the Municipality and Green Bank dated __________, HEREBY LEVIES A BENEFIT ASSESSMENT AGAINST AND LIEN UPON certain real property commonly referred to as ________ and described more particularly in the attached Exhibit A (the “Property”), situated in the Municipality and owned on the date hereof in whole or in part by __________ (the “Property Owner”), said levy and lien shall secure the repayment of financing for energy improvements made or to be made to the Property pursuant to that certain Financing Agreement between Property Owner and Greenworks Lending, LLC dated __________, as may be amended (the “Financing Agreement”). This levy and lien are subject to the terms and conditions of the Financing Agreement and are made in accordance with the Financing Agreement. Upon the transfer or conveyance of the Property, each subsequent owner of the Property, by accepting title to the Property, assumes and agrees to perform all of the obligations and covenants set forth herein and in the Financing Agreement and each other document referenced therein, including, but not limited to, making the installment payments described below, from and after the date such owner acquires title to the Property. The amount and repayment of said levy and lien, as determined by Green Bank and provided to Municipality, are as follows: an installment payment plan is in effect for payment of the benefit assessment, and is based on the principal amount of the benefit assessment of $______, with interest thereon at a fixed rate equal to ___% per annum, plus any capitalized interest or any additional fees and expenses pursuant to the Financing Agreement, with equal installments of principal and interest due and payable pursuant to the Financing Agreement, all as set forth in the attached Exhibit B. [Pursuant to the Financing Agreement, the final installment payment plan and maturity date of the levy and lien shall be provided to the Municipality by the Green Bank and filed on the Land Records of the Municipality.] In the event that any such installment shall remain unpaid for thirty days after the same shall become due and payable, interest and other charges shall be charged upon the unpaid installment(s) at the rate of 18% per annum, as provided by the Act and by law. At such time as the principal and interest payments of the benefit assessment have been satisfied and paid in full, a release of this Certificate shall be filed in the Land Records of the Municipality evidencing such release.

This Certificate constitutes a certificate of lien and is filed pursuant to the provisions of the Act to evidence a lien for the benefit assessment levied upon the Property for the special benefits conferred upon said Property by the renovation or retrofitting for energy improvements related thereto. Pursuant to the Act, this lien 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 this lien. For the purposes of this lien, the Green Bank and any future successors, assigns or heirs of such lien shall be bound by and irrevocably subordinated to any environmental land use restriction recorded on the land records of the Municipality pursuant to Conn. Gen. Stat. § 22a-133o after this lien is filed on the land records of the Municipality.

The portion of this Certificate which constitutes a levy of benefit assessment and notice of installment payment of benefit assessments is filed pursuant to the provisions of the Act and the Connecticut General Statutes, as amended. This Certificate and the levy and lien set forth herein shall run with the land and shall be binding upon Property Owner and its heirs, executors, administrators, successors and assigns.

By order of the Tax Collector of the City/Town of ____________________.

Dated at _______________, Connecticut this _____ day of ______________, 2014.

____________________________________
Tax Collector

Received for Record: ______________, 2014 at __________ A.M./P.M.

Recorded in the _______________ Land Records at Volume _______, Page _______
________________________________________
City/Town Clerk
EXHIBIT A OF APPENDIX A OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

DESCRIPTION OF PROPERTY

[Insert legal description of Property]
EXHIBIT B OF APPENDIX A OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

BENEFIT ASSESSMENT PAYMENT SCHEDULE
APPENDIX B OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

FORM OF ASSIGNMENT OF BENEFIT ASSESSMENT LIEN

KNOW ALL PERSONS BY THESE PRESENTS, that the CITY/TOWN OF _____________________, a Connecticut municipal corporation (hereinafter referred to as “Assignor”), acting herein by ______________, its Tax Collector, duly authorized pursuant to a Municipal Agreement dated _______________, 20____, between the Assignor and the Connecticut Green Bank (hereinafter referred to as “Assignee”), in consideration of One Dollar ($1.00) and other valuable consideration paid to Assignor by the Assignee, the receipt of which is hereby acknowledged, hereby quit-claims, grants, bargains, sells, conveys, assigns, transfers and sets over unto Assignee, without warranty covenants and without recourse, all of its right, title and interest in and to that certain benefit assessment lien and the debts secured thereby together with such interest, fees, and expenses of collection as may be provided by law, filed by the _______________ Tax Collector on the ________________ Land Records, on property owned on the date hereof in whole or in part by ___________________ and as described on Exhibit A, and also commonly referred to as _____________________________, attached hereto and made a part hereof (the “Lien”), to have and to hold the same unto the said Assignee, its successor and assigns forever.

This Assignment is made, given and executed pursuant to the authority granted to Assignor as a municipality by Connecticut General Statutes Section 16a-40g, as amended.

By execution of this Assignment, the Assignor assigns to Assignee, and the Assignee assumes, all of the rights at law or in equity, obligations powers and duties as the Assignor and the Assignor’s Tax Collector would have with respect to the Lien, if the Lien had not been assigned with regard to precedence and priority of such lien, the accrual of interest, charges, fees and expenses of collection, pursuant to Connecticut General Statutes Section 16a-40g, as amended.

This Assignment by the Assignor is absolute and irrevocable and Assignor shall retain no interest, reversionary or otherwise, in the Lien.

IN WITNESS WHEREOF, we have hereunto set our hands and seal this _____ of _____________, 20_____.

Assignor

By___________________
____________________________
Tax Collector

____________________________

STATE OF CONNECTICUT) ss.: ______________
COUNTY OF ____________)

On this the _____ day of _____________, 20___, before me ________________, the undersigned officer, personally appeared ___________, Tax Collector, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained and that he/she acknowledged the same to be his/her free act and deed, before me, in his/her capacity as said Tax Collector.

____________________________
Commissioner of the Superior Court
EXHIBIT A OF APPENDIX B OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

DESCRIPTION OF PROPERTY

[Insert legal description of Property]
APPENDIX C OF C-pace Benefit Assessment and Lien Assignment and Administration Agreement

Form of Assignment of Benefit Assessment Lien

KNOW ALL PERSONS BY THESE PRESENTS, that the CONNECTICUT GREEN BANK, (hereinafter referred to as “Assignor”), acting herein by Bryan T. Garcia, its President, pursuant to a C-Pace Benefit Assessment And Lien Assignment And Administration Agreement dated ______________, 20____ (the “Agreement”), between the Assignor and _______________________ (hereinafter referred to as “Assignee”), in consideration of One Dollar ($1.00) and other valuable consideration paid to Assignor by the Assignee, the receipt of which is hereby acknowledged, hereby quit-claims, grants, bargains, sells, conveys, assigns, transfers and sets over unto Assignee, without warranty covenants and without recourse (except as set forth in the Agreement), all of its right, title and interest in and to that certain benefit assessment lien and the debts secured thereby together with such interest, fees, and expenses of collection as may be provided by law, filed by the _______________ Tax Collector and Assigned to Assignor on the ________________ Land Records, on property owned on the date hereof in whole or in part by __________________ and as described on Exhibit A, and also commonly referred to as _____________________________, attached hereto and made a part hereof (the “Lien”), to have and to hold the same unto the said Assignee, its successor and assigns forever.

This Assignment is made, given and executed pursuant to the authority granted to Assignor by Connecticut General Statutes Section 16a-40g, as amended.

By execution of this Assignment, the Assignor assigns to Assignee, and the Assignee assumes, as of the date hereof, all of the rights at law or in equity, obligations powers and duties as the Assignor would have with respect to the Lien, if the Lien had not been assigned with regard to precedence and priority of such lien, the accrual of interest, charges, fees and expenses of collection, pursuant to Connecticut General Statutes Section 16a-40g, as amended.

This Assignment by the Assignor is absolute and irrevocable and the Assignor shall retain no interest, reversionary or otherwise, in the Lien.

IN WITNESS WHEREOF, we have hereunto set our hands and seal this _____ of ______________, 20____.

CONNECTICUT GREEN BANK,
Assignor

By___________________
____________________________
Bryan T. Garcia
Its President and CEO

STATE OF CONNECTICUT )
) ss.: Rocky Hill
COUNTY OF HARTFORD )

On this the _____ day of ______________, 20__, before me ________________, the undersigned officer, personally appeared Bryan T. Garcia, President and CEO of the Connecticut Green Bank, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained and that he acknowledged the same to be his free act and deed, before me, in his capacity as said President and CEO.

____________________________
Commissioner of the Superior Court
DESCRIPTION OF PROPERTY

[Insert legal description of Property]
APPENDIX D OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

FORM OF CONFIRMATION AND AMENDMENT OF BENEFIT ASSESSMENT LIEN AND PAYMENT SCHEDULE

___________________ (the “Capital Provider”) and _________________ (the “Borrower”) are parties to that certain Financing Agreement dated as of __________, 2015, as may be amended (the “Financing Agreement”).

Pursuant to the Financing Agreement, the Borrower has renovated or retrofitted the property located at ____________, Connecticut (the “Property”), in accordance with the requirements of the Program for which Capital Provider has provided the financing for through the Benefit Assessment Advance in the amount of $________, which Benefit Assessment Advance has been converted into a Benefit Assessment against the Property; and

The Borrower is obligated to make benefit assessment payments required by that certain Certificate of Levy and Lien of Benefit Assessment (the “Benefit Assessment Lien”) dated __________, 2015 and filed by the ___________________, Connecticut (the “Municipality”) and recorded in the Land Records of the Municipality in Volume ___ at Page ___; which Benefit Assessment Lien was assigned by the Municipality to Green Bank pursuant to that certain Assignment of Benefit Assessment Lien dated ________, 2015 and recorded in the Land Records of Municipality in Volume ___ at Page ___; which Benefit Assessment Lien was assigned by Green Bank to Capital Provider pursuant to that certain Assignment of Benefit Assessment Lien dated ________, 2015 and recorded in the Land Records of Municipality in Volume ___ at Page ___.

Pursuant to the Financing Agreement, the Benefit Assessment Lien shall be repaid in accordance with the installment payment plan attached hereto as Schedule 1 (the “Payment Schedule”). The Payment Schedule is based on the principal amount of the Benefit Assessment of $________, including any capitalized interest or any additional fees and expenses pursuant to the Financing Agreement, with interest thereon at the rate set forth in the Financing Agreement and with equal installments of principal and interest coming due as set forth in the Payment Schedule.

Except as amended and modified hereby, the Financing Agreement and the Benefit Assessment Lien shall continue unmodified and in full force and effect and each is hereby ratified and confirmed.

Dated this ___ day of ______, 2015.

WITNESSES:

_______________________________
Print Name:________________________
Name:________________________
Title:________________________

_______________________________
Print Name:________________________

STATE OF CONNECTICUT
COUNTY OF _____________
ss. ____________ ___, 2015

Personally appeared ________________, the ____________ of ________________, a ____________, signer and sealer of the foregoing instrument and acknowledged the same to be his/her free act and deed and the free act and deed of said body politic and corporate, before me.

________________________________
Commissioner of the Superior Court
Notary Public
My Commission Expires:________
APPENDIX E OF C-PACE BENEFIT ASSESSMENT AND LIEN ASSIGNMENT AND ADMINISTRATION AGREEMENT

[Insert legal description of Property]
Appendix C

Disclosure of Risk Form

This Disclosure of Borrower Risks is made pursuant to Connecticut General Statues Section 16a-40g and the program established thereunder (the “C-PACE Program”). As a Borrower participating in the C-PACE Program, you should consider carefully the risks associated with accepting C-PACE financing and the Benefit Assessment on your property. These risks include, but are not limited to, the following:

[Insert Capital Provider] (“Capital Provider”) and Connecticut Green Bank (“Green Bank”) do not guarantee energy savings. The energy conservation measures proposed to be installed may not perform to specification. They may break down or underperform due to technical malfunction or improper installation. Project success often depends on third parties who are capable of installing and managing projects and structuring contracts that provide appropriate protection against these construction and operational risks. Green Bank recommends Borrowers have their installation and servicing contracts reviewed by competent legal counsel and engineering consultants prior to execution. Green Bank does neither: (1) endorses the workmanship of any Contractor; nor (2) guarantees, warranties, or in any way represents or assumes liability for any work proposed or carried out by a Contractor. Additionally, the Green Bank is not responsible for assuring the design, engineering, and construction of the project is proper or complies with any particular laws, regulations, codes, licensing, certification and permit requirements, or industry standards. The Green Bank does not make any representations of any kind regarding the results to be achieved by the project or the adequacy or safety of such measures.

Completed projects often require ongoing maintenance to ensure energy savings and equipment performance is sustained. Such maintenance could be complex, costly, and/or be beyond the capabilities of “in-house” staff, requiring external expertise or specialized services over the life of the energy conservation or renewable energy measures.

Please review any warranties carefully. While the warranties provided by third parties and, in some cases, their subcontractors, typically limit any direct harm that results from relying on their products and services, there can be no assurance that a supplier or subcontractor will be willing or able to fulfill its contractual obligations and make necessary repairs or replace equipment.

Please seek any necessary outside legal counsel or engineering support to review contracts. Capital Provider and Green Bank recommend that all Borrowers have their installation and servicing contracts reviewed by competent legal counsel and engineering consultants prior to execution.

Fluctuations in energy prices may increase or decrease the savings associated with your project. Your Project’s estimated savings are based on assumptions about the future price of electricity and fuels. To the extent that future energy prices are lower than those assumed to occur, your future savings will be less than projected.
Changes in property occupancy may increase or decrease the savings associated with your project. Your project’s estimated savings are based on assumptions about the future occupancy and uses of your Property. To the extent that occupancy decreases, or Property uses shift in a manner not currently contemplated such that less energy will be used than expected, your future savings will be less than projected.

Green Bank is not your lender. Green Bank’s role in this transaction is to administer the C-PACE Program and meet all of Green Bank’s statutory obligations. If the proposed C-PACE Project is approved, by both the Green Bank and Capital Provider, then Capital Provider will finance the Project.

C-PACE financing is fixed rate financing. Although you will be able to prepay the remaining principal of your Benefit Assessment Advance at any time subject to any applicable prepayment penalties as may be contained in the Financing Agreement, you will not be able to refinance through the Capital Provider or Green Bank to achieve a lower rate.

C-PACE assessments are secured by and attached to the property. At resale, the potential purchaser of your Property will be responsible for continuing to pay the Benefit Assessment. Once the Project is financed a benefit assessment lien will be levied on the Property. Failure to pay your C-PACE benefit assessment in a timely manner may lead Capital Provider, or any assignee, to foreclose on the Property.

The success of your project may depend in part on various U.S. Federal or State of Connecticut policies and incentives that support or enhance project economic feasibility. Such policies may include governmental initiatives, laws and regulations designed to reduce energy usage, encourage the use of clean energy or encourage the investment in and the use of sustainable infrastructure. Incentives provided by the U.S. federal government may include tax credits, tax deductions, bonus depreciation as well as federal grants and loan guarantees. Incentives provided by the State of Connecticut may include renewable portfolio standards, which specify the portion of the power utilized by local utilities that must be derived from clean energy sources such as renewable energy, renewable energy credits, tariffs, tax incentives and other cash and non-cash payments. In addition, the U.S. government and the State of Connecticut provide regulatory, tax and other incentives to encourage the development and growth of sustainable infrastructure.

You may be depending on these policies and incentives to help defray the costs associated with, and to finance, your project. Government regulations also impact the terms of third-party financing provided to support these projects. If any of these government policies, incentives or regulations are adversely amended, delayed, eliminated, reduced or not extended beyond their current expiration dates, the economics of your project may be harmed.

Green Bank is a public instrumentality and political subdivision of the State of Connecticut established under Public Act No. 11-80 (and codified in Section 16-245n of the Connecticut General Statutes). Although we do not expect the Legislature to make any changes that would impact our ability to perform our role in accordance with existing statutory authority, there can be no
assurance that any changes in statute will not have a material adverse effect to our ability to perform our responsibilities as presently provided in statute.

**Green Bank must comply with the Connecticut Freedom of Information Act (“FOIA”).** Green Bank is a public agency for purposes of FOIA. Any material submitted to the Green Bank, either directly by Borrower or indirectly through Capital Provider, will be considered a public record and will be subject to disclosure under FOIA. Under Connecticut General Statute §1-210(b) and § 16-245n(d), FOIA includes exemptions for trade secret and commercial or financial information given in confidence. Only the particular information falling within a statutory exemption can be withheld by the Green Bank. In no event shall the Green Bank or any of its officers, directors or employees have any liability for the disclosure of documents or information in the Green Bank’s possession where the Green Bank, or such officer, director or employee in good faith believes the disclosure to be required under FOIA or other law.

**Green Bank Indemnification.** Borrower hereby acknowledges that in consideration for your participation in the C-PACE Program, Borrower does hereby disclaims, releases and forever discharges the Green Bank, and its officers, board, and employees jointly and severally from any and all actions, causes of actions, claims and demands for, upon, or by reason of any damage, loss, or injury, which hereafter may be sustained by Borrower for participating in the C-PACE Program.

**Green Bank may not be able finance this project for six months.** Pursuant to an agreement between the Green Bank and Capital Provider, the Green Bank may not, for a period of six months, be able to finance your current project in an event that you do not close on financing with Capital Provider. This restriction does not apply to materially different eligible projects or other eligible capital providers.

The Borrower hereby acknowledges and agrees to the above described C-PACE transaction risks and associated provisions of this Disclosure of Risk Form by and through its duly authorized undersigned representative.

Borrower: __________________________

By: __________________________

Its: __________________________
Appendix D
Lender Consent Form

REQUEST FOR LENDER CONSENT
AND NOTICE OF PROPOSED BENEFIT ASSESSMENT

Notice Date: _____

Lender Address:
Lender: _____
Street: _____
City/State/Zip Code: _____
ATTN: _____

Property/Loan Information: _____

Address: _____

APN: _____

Loan Number: _____

Why has the bank received this notice?

The property owner listed below owns the property located at the address above. You are the holder of a loan secured by the property.

[Building owner/address] wishes to install energy upgrades to the property using the Commercial Property-Assessed Clean Energy (C-PACE) financing mechanism established by the State of Connecticut and seeks your consent to do so.

Background on C-PACE in Connecticut.

In 2012, Connecticut passed legislation that provides access for owners of commercial, industrial and multi-family housing property in the state to a new form of financing for energy efficiency and on-site renewable energy (EE/RE) upgrades to their buildings. C-PACE financing can allow building owners to increase the value of their buildings and meet important energy policy goals of the State and its municipalities. (See Exhibit A for legislation)
The Connecticut Green Bank (“the Green Bank”) is responsible for administering a statewide C-PACE program. With C-PACE, financing for EE/RE projects is repaid with a benefit assessment, a mechanism long used to finance improvements to real property that meet a public policy objective, such as sidewalks, parks, lighting districts, and water and sewer projects. Like other municipal assessments, C-PACE assessments must be current upon the sale of a property and remain with a property upon sale. As with other municipal assessments, any assessments in arrears (but only those in arrears) have a lien status senior to mortgages upon the sale of a property.

Connecticut’s C-PACE program has been designed to meet the needs and concerns of Connecticut’s residents, property owners, and existing mortgage lenders. To qualify, the proposed project must meet the following basic criteria:

- The property is located in a municipality that has signed a legal agreement with the Green Bank regarding C-PACE. (see Exhibit B for a copy of the legal agreement between the Green Bank and the municipality)
- The property is a commercial, industrial, or multi-family (5 or more units) property
- The proposed measures reduce energy consumption and/or increase the production of on-site renewable energy
- The proposed measures are permanently affixed to the property
- The property is current on all municipal property tax and assessment payments
- The proposed project results in energy savings in excess of the assessment (a savings-to-investment ratio greater than 1 as determined by the GREEN BANK and/or the Administrator of C-PACE.
- The property owner receives consent of the current mortgage holder(s)

**Why should you provide consent?**

4. **Measures financed through C-PACE should reduce building operating costs.** Through the Technical Standards the Green Bank has established to govern the C-PACE program, a proposed project must have a Savings to Investment Ratio (SIR) greater than one, meaning that projected lifetime savings from the energy measures must exceed the total investment, inclusive of financing costs over the full term of the C-PACE assessment, over the useful life of the measures. For example, if the total eligible project investment cost is $1.5 million and the project’s expected useful life is 15 years, then the energy savings must be greater than $100,000 per year.

5. **C-PACE Assessments do not accelerate.** In the event the mortgage holder forecloses on the property for any reason, only the amount of the C-PACE assessment currently due and/or in arrears, a relatively small proportion of the C-PACE assessment, would come due. In the event of a property sale, C-PACE assessments transfer to the new property owner.

6. **Measures financed through C-PACE improve properties, often reducing maintenance and repair costs.** In addition, energy measures improve the efficiency, health, and comfort of a building, making it more attractive to tenants and future owners.
What should you know?

[Building owner/address] has indicated its intention to apply for C-PACE financing for the improvements outlined in Exhibit C on the property listed above. The benefit assessment is to be levied on the property pursuant to an agreement between the property owner, the Green Bank, and the funding source for the C-PACE improvements. The related payment terms are proposed to consist of the following:

Total cost of improvements*:
Utility rebates/incentives:
Total C-PACE financing requested*:
Interest rate not to exceed:
Term of repayment period:
Total estimated annual installment*:
Payments per year:

*THE GREEN BANK may provide financing for up to 110% of the financing amount requested contingent upon the savings-to-investment ratio being greater than 1. As such, the above amounts are subject to minor deviation.

Estimated Benefits of the Authorized Improvements:

Based on a recent audit by which is detailed in Exhibit C, the following cash flow savings – as a result of the installation of the Authorized Improvements and using the assumptions noted in the audit – are expected to accrue to the property:

Electric and Fuel Bill Savings:
Other Savings (specify):
TOTAL:

NOTE: The savings noted above represent estimated based on the assumptions contained in the audit attached as Exhibit C. Actual results are likely to be different and may be greater or less than estimated.

Purpose of this Notice. As required by the C-PACE enabling legislation (Section 16a-40g of Connecticut General Statutes, as amended), [Name of Property Owner] is sending this Notice of Proposed Benefit Assessment to Lender to (i) provide notice of the proposed participation of the property above in C-PACE financing; (ii) request confirmation from you (the current lender) that the levy of the Benefit Assessment pursuant to the Assessment Agreement will not trigger an event of default or the exercise of any remedies under the Loan documents, (iii) provide notice that the Contractual Assessment will be collected in installments on the property tax bill in the same manner as and subject to the same
penalties, remedies and lien priorities as real property taxes and (iv) declare the [Name of Property Owner]’s agreement to pay on a timely basis both the existing obligations secured by the property (including the Loan) and the proposed Benefit Assessment.

Execution and Return of Consent. The Property Owner would appreciate you executing the attached Lender Consent to Proposed Benefit Assessment and returning it to the undersigned at your earliest convenience.

Very truly yours,

BY: (signature): __________________________________________

PROPERTY OWNER NAME: ________

MAILING ADDRESS (if different than Property address): _______
LENDER CONSENT TO BENEFIT ASSESSMENT

Date: _____
Property/Loan Information: _____
Address: _____
Owner: _____
Municipality: _____
APN: _____
Loan Number: _____

This Lender Consent to Benefit Assessment (this "Consent") is given by the undersigned entity (the “Lender”) with respect to the above-referenced loan (the “Loan”) and the above-referenced property (the “Property”).

RECITALS

A. Lender is in receipt of written notice (the “Notice”) from the above-referenced owner of the Property (the “Property Owner”) that it intends to finance installation on the Property of certain energy efficiency and/or renewable energy improvements that will be permanently fixed to the Property (the “Authorized Improvements”) by participating in the Commercial Property-Assessed Clean Energy (C-PACE) financing program (the “Program”), sponsored by the Municipality.

B. Lender understands that, as a result of an agreement between the Municipality and the Property Owner (the “Assessment Agreement”), the Benefit Assessment described in the Notice will be levied on the Property, and that the Benefit Assessment will be collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes.

CONSENT

The undersigned hereby represents that it is authorized to execute this Consent on behalf of the Lender. The Lender hereby confirms:

A. Lender is in receipt of written notice (the “Notice”) from the above-referenced owner of the Property (the “Property Owner”) that it intends to finance installation on the Property of certain energy efficiency and/or renewable energy improvements that will be permanently fixed to the Property by participating in the Commercial Property-Assessed Clean Energy financing a program sponsored by the Municipality.

B. Lender understands that, as a result of an agreement between the Municipality and the Property Owner, the Benefit Assessment described in the Notice will be levied on the Property, and that the Benefit Assessment will be collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes.

C. The Lender agrees that the levy of the Benefit Assessment will not constitute an event of default or trigger the exercise of any remedies under the Loan documents.

The Lender hereby acknowledges that the Property Owner and the Municipality will rely on the representation and Consent of the Lender set forth in this Consent.
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EXHIBIT A OF LENDER CONSENT FORM

Connecticut General Statutes § 16a-40g. Commercial sustainable energy program.

(a) As used in this section:

(1) “Energy improvements” means (A) participation in a district heating and cooling system by qualifying commercial real property, (B) participation in a microgrid, as defined in section 16-243y, including any related infrastructure for such microgrid, by qualifying commercial real property, provided such microgrid and any related infrastructure incorporate clean energy, as defined in section 16-245n, (C) any renovation or retrofitting of qualifying commercial real property to reduce energy consumption, (D) installation of a renewable energy system to service qualifying commercial real property, or (E) installation of a solar thermal or geothermal system to service qualifying commercial real property, provided such renovation, retrofit or installation described in subparagraph (C), (D) or (E) of this subdivision is permanently fixed to such qualifying commercial real property;

(2) “District heating and cooling system” means a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings;

(3) “Qualifying commercial real property” means any commercial or industrial property, regardless of ownership, that meets the qualifications established for the commercial sustainable energy program;

(4) “Commercial or industrial property” means any real property other than a residential dwelling containing less than five dwelling units;

(5) “Benefited property owner” means an owner of qualifying commercial real property who desires to install energy improvements and provides free and willing consent to the benefit assessment against the qualifying commercial real property;

(6) “Commercial sustainable energy program” means a program that facilitates energy improvements and utilizes the benefit assessments authorized by this section as security for the financing of the energy improvements;

(7) “Municipality” means a municipality, as defined in section 7-369;

(8) “Benefit assessment” means the assessment authorized by this section;

(9) “Participating municipality” means a municipality that has entered into a written agreement, as approved by its legislative body, with the bank pursuant to which the municipality has agreed to assess, collect, remit and assign, benefit assessments to the bank in return for energy improvements for benefited property owners within such municipality and costs reasonably incurred in performing such duties;

(10) “Bank” means the Connecticut Green Bank; and

(11) “Third-party capital provider” means an entity, other than the bank, that provides loans directly to benefited property owners for energy improvements.

(b) (1) The bank shall establish a commercial sustainable energy program in the state, and in furtherance thereof, is authorized to make appropriations for and issue bonds, notes or other obligations for the purpose of financing, (A) energy improvements; (B) related energy audits; (C) renewable energy system feasibility studies; and (D) verification reports of the installation and effectiveness of such improvements. The bonds, notes or other obligations shall be issued in accordance with legislation authorizing the bank to issue bonds, notes or other obligations generally. Such bonds, notes or other obligations may be secured as to both principal and interest by a pledge of revenues to be derived from the commercial sustainable energy program, including revenues from benefit assessments on qualifying commercial real property, as authorized in this section.
(2) When the bank has made appropriations for energy improvements for qualifying commercial real property or other costs of the commercial sustainable energy program, including interest costs and other costs related to the issuance of bonds, notes or other obligations to finance the appropriation, the bank may require the participating municipality in which the qualifying commercial real property is located to levy a benefit assessment against the qualifying commercial real property especially benefited thereby.

(3) The bank (A) shall develop program guidelines governing the terms and conditions under which state and third-party financing may be made available to the commercial sustainable energy program, including, in consultation with representatives from the banking industry, municipalities and property owners, developing the parameters for consent by existing mortgage holders and may serve as an aggregating entity for the purpose of securing state or private third-party financing for energy improvements pursuant to this section, (B) shall establish the position of commercial sustainable energy program liaison within the bank, (C) may establish a loan loss reserve or other credit enhancement program for qualifying commercial real property, (D) may use the services of one or more private, public or quasi-public third-party administrators to administer, provide support or obtain financing for the commercial sustainable energy program, (E) shall adopt standards to ensure that the energy cost savings of the energy improvements over the useful life of such improvements exceed the costs of such improvements, and (F) may encourage third-party capital providers to provide loans directly to benefited property owners in lieu of or in addition to the bank providing such loans.

(c) Before establishing a commercial sustainable energy program under this section, the bank shall provide notice to the electric distribution company, as defined in section 16-1, that services the participating municipality.

(d) If a benefited property owner requests financing from the bank or a third-party capital provider for energy improvements under this section, the bank shall:

(1) Require performance of an energy audit or renewable energy system feasibility analysis on the qualifying commercial real property that assesses the expected energy cost savings of the energy improvements over the useful life of such improvements before approving such financing;

(2) If financing is approved, either by the bank or the third-party capital provider, require the participating municipality to levy a benefit assessment on the qualifying commercial real property with the property owner in a principal amount sufficient to pay the costs of the energy improvements and any associated costs the bank or the third-party capital provider determines will benefit the qualifying commercial real property;

(3) Impose requirements and criteria to ensure that the proposed energy improvements are consistent with the purpose of the commercial sustainable energy program;

(4) Impose requirements and conditions on the financing to ensure timely repayment, including, but not limited to, procedures for placing a lien on a property as security for the repayment of the benefit assessment; and

(5) Require that the property owner provide written notice, not less than thirty days prior to the recording of any lien securing a benefit assessment for energy improvements for such property, to any existing mortgage holder of such property, of the property owner’s intent to finance such energy improvements pursuant to this section.

(e) (1) The bank or the third-party capital provider may enter into a financing agreement with the property owner of qualifying commercial real property. After such agreement is entered into, and upon notice from the bank, the participating municipality shall (A) place a caveat on the land records indicating that a benefit assessment and a lien are anticipated upon completion of energy improvements for such property, or (B) at the direction of the bank, levy the benefit assessment and file a lien on the land records based on the estimated costs of the energy improvements prior to the completion or upon the completion of such improvements.

(2) The bank or the third-party capital provider shall disclose to the property owner the costs and risks associated with participating in the commercial sustainable energy program established by this section, including risks related to the failure of the property owner to pay the benefit assessment. The bank or the third-party capital provider shall disclose to the
property owner the effective interest rate of the benefit assessment, including fees charged by the bank or the third-party capital provider to administer the program, and the risks associated with variable interest rate financing. The bank or the third-party capital provider shall notify the property owner that such owner may rescind any financing agreement entered into pursuant to this section not later than three business days after such agreement.

(f) The bank or the third-party capital provider shall set a fixed or variable rate of interest for the repayment of the benefit assessment amount at the time the benefit assessment is made. Such interest rate, as may be supplemented with state or federal funding as may become available, shall be sufficient to pay the bank’s financing and administrative costs of the commercial sustainable energy program, including delinquencies.

(g) Benefit assessments levied pursuant to this section 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 lien, or if the financing agreement provides that the benefit assessments shall be paid in installments then 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 lien may be recorded and released in the manner provided for property tax liens and, subject to the consent of existing mortgage holders, 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. To the extent benefit assessments are paid in installments and any such installment is not paid when due, the benefit assessment lien may be foreclosed to the extent of any unpaid installment payments and any penalties, interest and fees related thereto. In the event such benefit assessment lien is foreclosed, such benefit assessment lien shall survive the judgment of foreclosure to the extent of any unpaid installment payments of the benefit assessment secured by such benefit assessment lien that were not the subject of such judgment.

(h) Any participating municipality may assign to the bank any and all liens filed by the tax collector, as provided in the written agreement between the participating municipality and the bank. The bank may sell or assign, for consideration, any and all liens received from the participating municipality. The consideration received by the bank shall be negotiated between the bank and the assignee. The assignee or assignees of such liens shall have and possess the same powers and rights at law or in equity as the bank and the participating municipality and its tax collector would have had if the lien had not been assigned with regard to the precedence and priority of such lien, the accrual of interest and the fees and expenses of collection. The assignee shall have the same rights to enforce such liens as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys’ fees incurred by the assignee as a result of any foreclosure action or other legal proceeding brought pursuant to this section and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the assignee at any time after demand for payment has been made by the assignee.
EXHIBIT B OF LENDER CONSENT FORM

COMMERCIAL PROPERTY ASSESSED
CLEAN ENERGY ("C-PACE") AGREEMENT

THIS AGREEMENT is made and entered into as of the ____ day of _________, 2014, by and between [TOWN NAME CAPS], CONNECTICUT, a municipal corporation organized and existing under the laws of the State of Connecticut (the “Municipality”), and the CONNECTICUT GREEN BANK, a quasi-public agency of the State of Connecticut, having its business address at 845 Brook Street, Rocky Hill, Connecticut 06067 (the “Green Bank”).

RECITALS

WHEREAS, Commercial Property Assessed Clean Energy (“C-PACE”) is a program to facilitate loan financing for clean energy improvements to commercial properties by utilizing a state or local assessment mechanism to provide security for repayment of the loans.

WHEREAS, section 16a-40g, as amended, of the Connecticut General Statutes (the “Act”) established the C-PACE program in Connecticut.

WHEREAS, subsection (b)(1) of the Act directs the Green Bank to establish a commercial sustainable energy program, and authorized the Green Bank to make appropriations for and issue bonds, notes or other obligations to finance the program costs. A commercial sustainable energy program is a program that facilitates energy improvements to commercial or industrial property and utilizes municipal benefit assessments authorized by the Act as security for financing the energy improvements.

WHEREAS, to secure financing for the program, the Green Bank and the Municipality are authorized to enter into a written agreement, as approved by the Municipality’s legislative body, pursuant to which the Municipality has agreed to assess, collect, remit and assign, benefit assessments to the Green Bank in return for energy improvements for benefited property owners within the Municipality and for costs reasonably incurred by the Municipality in performing such duties.

WHEREAS, this Agreement constitutes the written agreement authorized by the Act.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein and in order to effectuate the purposes of the Act, it is hereby agreed as follows:

Section 1 - Definitions.

(a) "Energy improvements" means (A) participation in a district heating and cooling system by qualifying commercial real property, (B) participation in a microgrid, as defined in section 16-243y, including any related infrastructure for such microgrid, by qualifying commercial real property, provided such
microgrid and any related infrastructure incorporate clean energy, as defined in section 16-245n, as amended by this act, (C) any renovation or retrofitting of qualifying commercial real property to reduce energy consumption, (D) installation of a renewable energy system to service qualifying commercial real property, or (E) installation of a solar thermal or geothermal system to service qualifying commercial real property, provided such renovation, retrofit or installation described in subparagraph (C), (D) or (E) of this subdivision is permanently fixed to such qualifying commercial real property.

(b) “District heating and cooling system” means a local system consisting of a pipeline or network providing hot water, chilled water or steam from one or more sources to multiple buildings.

c) “Qualifying commercial real property” means any commercial or industrial property, regardless of ownership, that meets the qualifications established for the commercial sustainable energy program.

d) “Commercial or industrial property” means any real property other than a residential dwelling containing less than five dwelling units.

e) “Benefited property owner” means an owner of qualifying commercial real property who desires to install energy improvements and provides free and willing consent to the benefit assessment against the qualifying commercial real property.

(f) “Commercial sustainable energy program” means a program that facilitates energy improvements and utilizes the benefit assessments authorized by this Agreement as security for the financing of the energy improvements.

g) “Benefit assessment” means the assessment authorized by the Act.

Section 2 - Obligations of the Green Bank.

(a) Program Requirements. Pursuant to the Act, the Green Bank:

(1) Shall develop program guidelines governing the terms and conditions under which state financing may be made available to the commercial sustainable energy program, including, in consultation with representatives from the banking industry, municipalities and property owners, developing the parameters for consent by existing mortgage holders and may serve as an aggregating entity for the purpose of securing state or private third-party financing for energy improvements pursuant to the Act;

(2) Shall receive and review applications submitted by benefitted property owners within the Municipality for financing of energy improvements, and approve or disapprove such applications in accordance with underwriting procedures and requirements established by the Green Bank;

(3) Shall prepare and deliver to the Municipality an annual report which shall contain information related to each qualifying commercial real property within the Municipality, including:

v. A list of each qualifying commercial real property for which the benefitted property owner executed a financing agreement during the prior year;

vi. A list of each qualifying commercial real property where all obligations under the financing agreement have been satisfied or paid in full during the prior year, including the satisfaction date and a copy of the notice of satisfaction;

vii. The total benefit assessment payments made to the Green Bank in respect of all qualifying commercial real properties; and
viii. For each non-satisfied (not paid in full) benefit assessment (including each benefit assessment approved in the prior year):

E. The date of the financing agreement;
F. The outstanding amount of the financing;
G. The total principal balance and accrued interest outstanding; and
H. The annual payment(s) due to the Green Bank (which shall include principal and accrued interest) associated with such benefit assessment (including the amount of accrued interest on the initial payment, if different).

(4) Shall establish the position of commercial sustainable energy program liaison within the Green Bank;
(5) Shall establish a loan loss reserve or other credit enhancement program for qualifying commercial real property;
(6) May use the services of one or more private, public or quasi-public third-party administrators to administer, provide support or obtain financing for the commercial sustainable energy program; and
(7) Shall adopt standards to ensure that the energy cost savings of the energy improvements over the useful life of such improvements exceed the costs of such improvements.

(b) Project Requirements. If a benefitted property owner requests financing from the Green Bank for energy improvements under the Act, the Green Bank shall:

(1) Require performance of an energy audit or renewable energy system feasibility analysis on the qualifying commercial real property that assesses the expected energy cost savings of the energy improvements over the useful life of such improvements before approving such financing;
(2) Impose requirements and criteria to ensure that the proposed energy improvements are consistent with the purpose of the commercial sustainable energy program; and
(3) Require that the property owner obtain the consent of any existing mortgage holder of such property, prior to the execution of the financing agreement or the recording of any lien securing a benefit assessment for energy improvements for such property, to have a Benefit Assessment Lien levied on the property to finance such energy improvements pursuant to the Act.

(c) Financing Agreement for Project. The Green Bank may enter into a financing agreement with the property owner of qualifying commercial real property (the “Financing Agreement”). The Financing Agreement shall clearly state the estimated benefit assessment that will be levied against the qualifying commercial real property. The Green Bank shall disclose to the property owner the costs and risks associated with participating in the commercial sustainable energy program, including risks related to the failure of the property owner to pay the benefit assessment provided for in the Financing Agreement. The Green Bank shall disclose to the property owner the effective interest rate on the benefit assessment, including fees charged by the Green Bank to administer the commercial sustainable energy program, and the risks associated with variable interest rate financing, if applicable. The Green Bank shall notify the property owner that such owner may rescind any Financing Agreement entered into not later than three business days after such Financing Agreement is executed by the property owner and delivered to the Green Bank. The Financing Agreement shall provide for the consent of
existing mortgage holders for the Benefit Assessment Lien to be continued, recorded and released by
the Municipality, as required by the Act and described in Section 3(c) herein.

(d) Determination of Estimated and Final Benefit Assessments and Payments.

(1) Upon execution of the Financing Agreement, the Green Bank shall determine the total
benefit assessment amount, including fees charged by the Green Bank to administer the commercial
sustainable energy program, and shall set a fixed or variable rate of interest for the repayment of the
benefit assessment amount. Such interest rate, as may be supplemented with state or federal funding as
may become available, shall be sufficient to pay the financing and administrative costs of the
commercial sustainable energy program, including delinquencies. The Green Bank shall provide
written notice of the total benefit assessment amount and interest rate to the Municipality.

(2) It is anticipated that the Green Bank will decide that the benefit assessment shall be
payable in two equal payments respectively payable on July 1 and January 1 of each year so that they
are due at the same time as the installments of the Municipality’s real property taxes. If the
Municipality changes its practices concerning the billing of annual real property taxes as to the number
of installments and their due dates, the Green Bank will change its practices to the extent possible to
correspond with the Municipality’s practices.

Section 3 - Obligations of the Municipality.

(a) Levy of Benefit Assessment. Upon receiving written notice from the Green Bank of the benefit
assessment as provided in Section 2(d)(1) herein, the Municipality shall promptly levy the benefit
assessment against the qualifying commercial real property to be benefited by the energy improvements
financed by the Green Bank and described in the Financing Agreement, and shall place a lien on the
qualifying commercial real property to secure payment of the benefit assessment in the form of the
attached Exhibit A (“Benefit Assessment Lien”). The Benefit Assessment Lien will have two
attachments: (1) the legal description of the benefited property and (2) the Financing Agreement
payment schedule provided by the Green Bank. As provided in the Act, the benefit assessments levied
pursuant to this Agreement 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. The Green Bank
will reimburse the Municipality the cost charged by the Town Clerk for recording the Benefit
Assessment Lien. Such Benefit Assessment Lien shall be levied and collected in the same manner as
the property taxes of the Municipality on real property, including, in the event of default or
delinquency, with respect to any penalties, fees and remedies and lien priorities as provided by the Act.

(b) Continuation, Recording and Release of Lien. As provided in the Act, each Benefit Assessment Lien
shall be continued, recorded and released in the manner provided for property tax liens, subject to the
consent of existing mortgage holders, 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. The Green Bank shall provide to the Municipality written notice of the
consent of existing mortgage holders for the lien to be continued, recorded and released by the
Municipality.
(c) Assignment of Benefit Assessment Lien.

(1) Upon the written request of the Green Bank, the Municipality shall assign, in the form of the attached Exhibit B, to the Green Bank any and all Benefit Assessment Liens filed by the Municipality’s tax collector, as provided in this Agreement. The Green Bank may sell or assign, for consideration, any and all Benefit Assessment Liens received from the Municipality. The assignee or assignees of such Benefit Assessment Liens shall have and possess the same powers and rights at law or in equity as the Green Bank and the Municipality and its tax collector would have had if the Benefit Assessment Lien had not been assigned with regard to the precedence and priority of such lien, the accrual of interest and the fees and expenses of collection. The assignee shall have the same rights to enforce such Benefit Assessment Liens as any private party holding a lien on real property, including, but not limited to, foreclosure and a suit on the debt. Costs and reasonable attorneys’ fees incurred by the assignee as a result of any foreclosure action or other legal proceeding brought pursuant to the assignment and directly related to the proceeding shall be taxed in any such proceeding against each person having title to any property subject to the proceedings. Such costs and fees may be collected by the assignee at any time after demand for payment has been made by the assignee.

(2) The Municipality hereby acknowledges that the Green Bank may sell or assign any and all Benefit Assessment Liens received from the Municipality under Section 3(c) of this Agreement to a trustee for the benefit of the holders of the Green Bank’s bonds, notes or other obligations issued to finance the costs of the commercial sustainable energy program, and that the holders of the Green Bank’s bonds, notes or other obligations will rely on the Municipality to levy, collect and remit the benefit assessments to the Green Bank. Therefore, the Municipality unconditionally agrees that in the event the Municipality does not discharge its duties under this Agreement, the trustee shall have the right to enforce the Municipality’s obligations under this Agreement by institution of legal action against the Municipality.

(d) Amendment of the Benefit Assessment Lien. Pursuant to the Financing Agreement, the final amount of the benefit assessment may be adjusted after the levy of the Benefit Assessment Lien. Such an adjustment would likely be the result of a change in the energy improvement service contract amount during the construction period, a change in the amount of capitalized interest, or an amendment to the Financing Agreement. In the event that the final benefit assessment amount needs to be adjusted at the completion of the project, or any other time, the Green Bank will inform the Municipality of such change, provide the Municipality with an updated payment schedule and new lien amount, and the Municipality shall amend the Benefit Assessment Lien to reflect such adjustment. The Green Bank will reimburse the Municipality the cost charged by the Town Clerk for amending the Benefit Assessment Lien.

(e) Billing and Collection; Payment to the Green Bank.

(1) The Municipality shall bill the benefit assessments in the same manner and at the same time as it bills its real property taxes. The benefit assessment payments shall be a separate clearly
defined line item or separate bill and shall be due on the same dates as the Municipality’s real property taxes. The amount of the benefit assessment will be recorded on the Municipality’s tax rolls in the same manner as any other benefit assessment, such that the public will have access to its existence and payment status. The penalties and interest on delinquent benefit assessments shall be charged in the same manner and rate as the Municipality charges for delinquent real property taxes.

(2) Payments of the benefit assessments collected by the Municipality shall be segregated from all other funds of the Municipality and deposited in a separate account for the benefit of the Green Bank and identifying the Green Bank as the beneficial owner. The Municipality disclaims any ownership interest or other interests in such account or the amount collected.

(3) The Municipality shall pay all amounts collected with respect to the benefit assessments within any calendar month to the Green Bank or its assignee no later than thirty days after the month that the amounts are collected. The Municipality will provide collection reports to the Green Bank, and the Green Bank, at its own expense, shall have the right to audit the records relating to the benefit assessments upon reasonable notice at reasonable times. The Green Bank and Municipality agree to provide each other with such reasonable information as they may request and the Green Bank and the Municipality agree to provide such information in a computer format satisfactory to the other.

(f) Collection of Delinquent Payments.

(1) In the event that any benefited property owner fails to make a benefit assessment payment pursuant to the payment schedule of the Benefit Assessment Lien in any property tax billing cycle, the Municipality shall provide written notice to the Green Bank of such delinquency in a reasonably timely manner. After providing such notice to the Green Bank, the Municipality has no obligation to collect delinquent benefit assessment payments unless it enters into a separate agreement with the Green Bank described in the following subsection (2).

(2) If the Green Bank makes a written request to the Municipality for its assistance in the collection of delinquent benefit assessments and related charges, the Municipality, in its sole discretion, and the Green Bank may enter into a separate agreement for those services, which agreement shall provide for compensation to be paid to the Municipality for its collection services. The agreement may provide for the Municipality to pursue the collection of any delinquent benefit assessments with the same diligence it employs in the collection of the Municipality’s real property taxes, including the commencement of foreclosure proceedings to the extent provided by the then-current statutes of the State of Connecticut, and to take such actions that are required to preserve the Benefit Assessment Lien securing the delinquent benefit assessments. The agreement may also provide that the Green Bank shall have the right to take over the enforcement of any delinquent benefit assessments upon written notice to the Municipality, and thereupon the Municipality will have no further responsibility to collect such amount.
(3) The Municipality will provide written notice to the Green Bank of any sale or assignment of its real property taxes or any institution of a judicial foreclosure or other proceeding against any real property for delinquent real property taxes if such real property is subject to a lien securing a delinquent benefit assessment. Similarly, the Green Bank shall provide written notice to the Municipality of the institution of a judicial foreclosure or other proceeding against any qualified commercial real property for a delinquent benefit assessment.

(g) Promotion of Program; Assistance for Green Bank Financing; Payment to Municipality.

(1) The Municipality shall use good faith efforts to assist the Green Bank in local marketing efforts and outreach to the local business community to encourage participation in the commercial sustainable energy program, such as including commercial sustainable energy program information on the Municipality’s website, distributing an informational letter from chief elected official to local businesses regarding the program, and conducting one or more business roundtable event(s).

(2) The Municipality shall use good faith efforts to assist in gathering and providing information for the Green Bank to offer, sell and issue its bonds, notes or other obligations to provide funds for the commercial sustainable energy program.

(3) The Green Bank agrees to pay the Municipality annually a fee of $500 (the “Annual Fee”) for its services hereunder. In the event such payment is not sufficient to cover the Municipality’s out of pocket costs and expenses in discharging its duties hereunder, the Green Bank shall reimburse the Municipality for its actual reasonable costs and expenses associated with the collection and enforcement of the benefit assessments in excess of the Annual Fee. Such costs and expenses include reasonable costs incurred by the Municipality in conjunction with any and all proceedings to collect and enforce the benefit assessments and delinquent benefit assessments, including foreclosure proceedings.

Section 4 - Indemnification.

The Green Bank agrees that it will protect, defend, indemnify and hold harmless the Municipality and its officers, agents and employees to the extent of available proceeds derived from the benefit assessments from and against all claims, demands, causes of action, damages, judgments, losses and expenses, including reasonable attorney’s fees, arising out of or in connection with the actions of the Green Bank’s officers, employees and agents under this Agreement. This provision shall survive termination of this Agreement.

Section 5 - Term.

The term of this Agreement shall commence upon the date first written above. This Agreement shall be in full force and effect until all of the benefit assessments have been paid in full or deemed no longer outstanding. The Municipality may opt-out of continuation in the program at any time on sixty (60) days advance notice to the Green Bank, provided that the provisions of this Agreement shall continue with regard to
benefit assessments assessed prior to such termination date until those benefit assessments have been paid in full or are no longer outstanding.

Section 6 - Default.

Each party shall give the other party written notice of any breach of any covenant or agreement under this Agreement and shall allow the defaulting party 30 days from the date of its receipt of such notice within which to cure any such default or, if it cannot be cured within the 30 days, to commence and thereafter diligently pursue to completion, using good faith efforts to effect such cure and to thereafter notify the other party of the actual cure of any such default. The parties shall have all other rights and remedies provided by law, including, but not limited to, specific performance, provided however, in no event shall either party have the right to terminate this Agreement prior to the expiration of the Term, except as provided in accordance with Section 7(c) of this Agreement.

Section 7 - Miscellaneous Provisions.

(a) **Assignment or Transfer.** Except as provided in Section 3(c) hereof, a party may not assign or transfer its rights or obligations under this Agreement to another unit of local government, political subdivision or agency of the State of Connecticut or to a private party or entity without the prior written consent of the other party and, if required, the prior approval of the holders of the Green Bank's bonds, notes or other obligations. If approval of the assignment by the holders of the Green Bank’s bonds, notes or other obligations is required, such approval shall be obtained in accordance with the indenture or other documents entered into by the Green Bank in connection with the bonds, notes or other obligations.

(b) **Amendment and Termination.** After the Green Bank sells and issues its bonds, notes or other obligations to finance the costs of the commercial sustainable energy program, this Agreement may not be amended or terminated by the parties without the prior approval of the holders of the Green Bank’s bonds, notes or other obligations, which approval shall be obtained in accordance with the indenture or other documents entered into by the Green Bank in connection with the bonds, notes or other obligations.

(c) **Severability.** If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

(d) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

(e) **Notices.** All notices, requests, consents and other communications shall be in writing and shall be delivered, mailed by first class mail, postage prepaid, or overnight delivery service, to the parties, as follows:
If to the Municipality:
INSERT TOWN NAME
INSERT STREET ADDRESS
CITY, STATE, ZIP CODE
Attention:

If to the Green Bank:
Connecticut Green Bank
845 Brook Street
Rocky Hill, Connecticut 06067
Attention: President

(g) Amendment and Waivers. Except as otherwise set forth in this Agreement, any amendment to or waiver of any provision of this Agreement must be in writing and mutually agreed to by the Green Bank and the Municipality.

(h) Applicable Law and Venue. This Agreement and its provisions shall be governed by and construed in accordance with the laws of the State of Connecticut. In any action, in equity or law, with respect to the enforcement or interpretation of this Agreement, venue shall be in the State of Connecticut.

(i) Entire Agreement. This instrument constitutes the entire agreement between the parties and supersedes all previous discussions, understandings and agreements between the parties relating to the subject matter of this Agreement.

(j) Headings. The headings in this Agreement are solely for convenience, do not constitute a part of this Agreement and do not affect its meaning or construction.

IN WITNESS WHEREOF, the Municipality and the Green Bank have each caused this Agreement to be executed and delivered as of the date indicated above:

(SEAL)

ATTEST:

INSERT TOWN NAME

_________________________________ By: ______________________________

Its: ____________________________
CONNECTICUT GREEN BANK

By: ______________________________

Bryan T. Garcia, President
Appendix E

C-PACE Technical Application Form

The purpose of the C-PACE Technical Application Form is to summarize the C-PACE Program’s technical standards and the requirements therein for Borrowers and/or Capital Providers submitting Eligible Projects for Green Bank approval. The Connecticut Green Bank adopted Technical Standards for the C-PACE program, which can be found online at http://www.cpace.com/assets/pdf/Program_Guidelines.pdf. All projects financed with C-PACE must demonstrate a “Savings-to-Investment” ratio (SIR) of greater than 1 using analytical methods in accordance with the technical standards for C-PACE.

Eligible projects will complete this form and submit the requested attachments. The sections of this application form are:

I. Project technical submitter & qualifications
II. Project summary
III. Energy Use Baseline
IV. Audit/Feasibility study
V. Commissioning and Measurement & Verification plan

In its Technical Standards, the Green Bank utilizes nationally accepted, “best-practice” methodologies to collect and analyze information on building energy use and savings. These should be adhered to where possible:

- Baseline data collection and development
  - ASTM E2797-11, Building Energy Performance Assessment (BEPA)
- Audit/Feasibility Study
  - ASHRAE Level I, Level II and Level III Energy Audit Guidelines for targeted or whole building energy efficiency retrofits
- Measurement and Verification M&V and Commissioning Plan
  - International Performance Measurement and Verification Protocol (IPMVP)

The Connecticut Green Bank has the sole discretion to determine an Eligible Project has demonstrated a positive SIR in conformance with the C-PACE Program Guidelines.
I. Project Technical Submitter and Qualifications

Applications must be prepared and submitted by an energy engineer or by a team including an energy engineer. An energy engineer is defined as a professional holding a Certified Energy Manager or Certified Energy Auditor accreditation, a Professional Engineer with demonstrated relevant energy experience, or a contractor with relevant demonstrated experience as determined by the C-PACE Technical Administrator. Other certifications or relevant experience will be evaluated by the Connecticut Green Bank at its sole discretion.

Name__________________________________________________
Company_______________________________________________
Address________________________________________________
Phone__________________________________________________
Email__________________________________________________

C-PACE Registered Contractor
☐ Yes
☐ No

License/Certification Name:____________________________________
License/Certification Number:
☐ Certified Energy Manager ________________________________
☐ Certified Energy Auditor _________________________________
☐ Professional Engineer _________________________________
☐ Other _________________________________________________
II. Project Summary

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<tr>
<th>Address</th>
<th>Type of Building</th>
<th>Total Project Cost</th>
<th>Proposed Assessment*</th>
<th>Term (years)</th>
<th>Annual Interest Rate</th>
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<th>Savings-to-Investment Ratio</th>
<th>Clean Energy Installed (kW)</th>
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<td>Actual</td>
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<th>Electricity (kWh/year)</th>
<th>Electricity (MMbtu/year)</th>
<th>Fuel (MMbtu/year)</th>
<th>Total (MMbtu/year)</th>
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<th>Estimated Post ECM Energy Use</th>
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<th>Electricity (MMbtu/year)</th>
<th>Fuel (MMbtu/year)</th>
<th>Total (MMbtu/year)</th>
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<th>Proposed Energy Saved and/or Produced</th>
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<th>Energy Efficiency</th>
<th>Total</th>
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<td>Over Term (MMBtu) **</td>
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<tr>
<td></td>
<td>Over EUL (MMBtu)***</td>
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<tr>
<td>Estimated Cost Savings</td>
<td>Over Term ($)</td>
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<td></td>
<td>Over EUL ($)</td>
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</tbody>
</table>

* Proposed assessment is the total C-PACE financing amount

** Energy savings ‘over term’ is the total energy saved over the C-PACE benefit assessment term.

*** Energy savings ‘over EUL’ is the total energy saved over the weighted-average effective useful life of all the financed energy improvements.
III. Energy Use Baseline

The ASTM Building Energy Performance Assessment (BEPA) protocol established a standardized methodology for building energy use data collection, compilation and analysis. The methodology is intended to fill data collection and analysis gaps in the ASHRAE energy audit guidelines and establish a sound, representative building energy use baseline. Please complete the following checklist to confirm the baseline was prepared in accordance with the ASTM BEPA Standard:

☐ Baseline time period identified where no “major renovation” has been performed (must be a minimum of one year, but preferably three years)

☐ Baseline type identified:
  ☐ Conventional *(energy use data is available for baseline period)*
    ☐ Minimum 12 months utility bills used for all meters and energy accounts impacted to the proposed energy improvements
  ☐ Non-conventional *(energy use data is not or only partially available)*
    ☐ Fully or partially vacant existing building whose use is not expected to change (e.g., office space remains as office space)
    ☐ Existing buildings undergoing repositioning or new use (e.g., former industrial space being converted to office space)
    ☐ Existing multi-tenant building where tenants are sub-metered

☐ (If applicable) Building energy use simulation model used *(should be eQUEST, EnergyPlus, or equivalent. Baseline for energy-using equipment must meet the current CT energy code (2009 IECC with amendments).*

☐ Major independent variables impacting building energy use identified (e.g., Heating Degree Days, Cooling Degree Days, occupancy rate, operating hours, other)

The following documents are attached under III. Energy Use Baseline:

☐ Description of property including:
  ☐ Gross, leasable and vacant square footage
  ☐ Occupancy type (e.g. owner occupied, single tenant, multi tenant)
  ☐ Number of utility meters servicing the property and their ID numbers
  ☐ Date of last major renovation
  ☐ Fuel type (e.g. oil, natural gas, propane, etc)

☐ (If applicable) copies of utility bills for baseline period and the most recent bill
☐ (If applicable) copy of building energy use simulation model
☐ Building energy use equation (using regression analysis) for energy use in the baseline time period as a function of the independent variables and $R^2$ for building energy use equations
☐ Projection of the energy use baseline each month under average (normalized) weather conditions over the proposed finance term
IV. Energy Audit / Feasibility Study

Energy Audit Checklist Energy Efficiency Measures:

ASHRAE Level I, Level II and Level III Energy Audit Guidelines describe how the audit should establish a representative baseline, identify and recommend ECMs, estimate the useful life of each ECM, determine total capital cost and the expected energy savings of each ECM that can confidently be achieved and identify the uncertainty associated with the methodology used to establish ECM costs and savings.

- Energy audit provided (consistent with ASHRAE guidelines) □ N/A
  - Level 1 conducted □ N/A
  - Level 2 conducted □ N/A
  - Level 3 conducted □ N/A
  - Other (describe):

- ECM(s) are eligible under the C-PACE program
- EUL for each ECM is identified
- Estimated savings for each ECM is identified
- Project cost for each ECM is identified
- Non-utility bill savings are broken out and identified
- Non-equipment-related (but financed) costs are broken out and identified
- SIR >1

The following documents are attached under IV. Energy Audit/Feasibility Study:

- List of recommended ECMs including:
  - cost for each ECM and indication of estimated (e.g. quote) or fixed (e.g. contract) cost
  - cost-weighted and savings-weighted EUL for each ECM as well as the average for the project.
  - utility incentives used for each ECM (if applicable)
  - non-energy saving costs financed (e.g. audit, M&V, appraisal, etc)

- List of all assumptions used in the energy savings calculations including:
  - average weather conditions
  - building occupancy profile
  - building operating schedule
  - building envelope construction (walls, roof, etc)
  - building energy management system operation/control strategy
☐ temperature set points
☐ ECM interactive effects
☐ utility rate escalators (ISO New England 20 year projected electricity cost escalation (3% typical; if other than 3%, provide reference) *)
☐ equipment degradation rates
☐ non-utility bill related energy savings (these should be broken out and clearly identified)
☐ uncertainty around energy savings and/or project costs

☐ List of existing major building mechanical systems utilizing energy and energy use of major building mechanical systems in baseline period

☐ Photographs of equipment to be replaced

☐ Copy of energy savings analysis and description of method:
  ☐ Modeling
    ☐ eQuest
    ☐ EnergyPro
    ☐ Trace 700
    ☐ Other _______________________
  ☐ Calculation/Spreadsheet (please send digital copy)
  ☐ Vendor software

☐ Copy of default data used in the energy savings calculations (e.g., use of TMY weather conditions, occupant density, plug load energy consumption, ventilation rates, etc.)

☐ SIR Calculation (demonstrating that the SIR >1) *

  ☐ Total Project Cost
  ☐ Total CEEF Incentives (estimated or actual)
  ☐ Total amount of C-PACE financing
    ☐ If <100% project cost, note how remaining project costs are funded
  ☐ Financing term (maximum is 20 years and cannot exceed weighted-average EUL of all ECMs)
  ☐ Interest Rate
  ☐ Total savings (energy and related) over finance term
Feasibility Study Checklist for Renewable & Energy Generation Measures:

For a clean energy generation project, the feasibility study should describe the proposed renewable energy system; identify and evaluate site suitability; assess system expected performance and requirements to maintain optimized operation; compare system expected performance against total energy demand of the building; identify performance guarantees and effective useful life; analyze energy savings including assumptions on avoided future utility electricity costs including assumed rate escalations, equipment degradation, rebates or incentives, REC credits/sale, potential excess electricity sale back to the grid, etc.

☐ Solar PV and/or CHP Feasibility Study provided according to C-PACE Program Guidelines, Appendix G, Section I: “Solar PV Feasibility Study requirements" and/or “VII Fuel Cell Feasibility Study Requirements”

☐ Yes ☐ No (explain)_____________________________________

☐ ECM(s) are eligible under the C-PACE program
☐ EUL for each ECM is identified
☐ Estimated savings for each ECM is identified
☐ Project cost for each ECM is identified
☐ Non-utility bill savings are broken out and identified
☐ Non-equipment-related (but financed) costs are broken out and identified
☐ SIR >1

The following documents are attached under IV. Energy Audit/Feasibility Study:

☐ List of ECMs including:
  ☐ cost for each ECM and indication of estimated (e.g. quote) or fixed (e.g. contract) cost
  ☐ cost-weighted and savings-weighted EUL for each ECM as well as the average for the project.
  ☐ non-energy saving costs financed (e.g. equipment warrantees, etc)
  ☐ ECM component replacement costs financed (e.g. inverters/restacking)

☐ List of all assumptions used in the energy savings calculations including:
  ☐ (for solar) de-rate factor used (default de-rate factor is 0.77)
  ☐ (for solar) area where solar radiation data was collected
  ☐ average weather conditions
  ☐ building occupancy profile
  ☐ building operating schedule
  ☐ utility rate escalators (ISO New England 20 year projected electricity cost escalation (3% typical; if other than 3%, provide reference) *
  ☐ equipment degradation rates
☐ non-utility bill related energy savings (these should be broken out and clearly identified)

For Solar Systems

☐ Description of PV system type
  ☐ Roof Mounted
  ☐ Ground Mounted
  ☐ Parking Canopy
  ☐ Nameplate Capacity (kW)
  ☐ Annual Estimated Production (kWh/year)

☐ Copy of shading study

☐ (If roof mounted), profession opinion on roof remaining useful life and professional structural engineer opinion on structure’s capability of supporting Solar PV system (under wind conditions, snow load, etc.)

☐ Copy of model used to project system output (electricity production)
  ☐ PV Watts
  ☐ PowerCLerk/Solar Anywhere
  ☐ RETScreen
  ☐ SAM
  ☐ Other:_______________________________________________

☐ Comparison of projected solar electricity production (kWh) by month at average (normalized) weather conditions versus normalized building electricity consumption by month

☐ SIR Calculation (demonstrating that the SIR >1) *

  ☐ Total Project Cost
  ☐ Total CEEF Incentives (estimated or actual)
  ☐ Total amount of C-PACE financing
    ☐ If <100%, note how remaining project costs are funded
  ☐ Financing term (maximum is 20 years and cannot exceed weighted-average EUL of all ECMs)
  ☐ Interest Rate
  ☐ Total savings (energy and related) over finance term

*For solar projects, see C-PACE Program Guidelines, Appendix G, Section IV: “C-PACE Solar PV Savings-to-Investment Ratio (SIR) Calculation Guidelines”.
V. Commissioning and Measurement & Verification

The Connecticut Green Bank requires C-PACE applicants to base their M&V plan on the International Performance Measurement and Verification Protocol (IPMVP) or an alternative protocol defined by the project energy consultant (as appropriate for the project size and ECMs installed). M&V plans should address – what will the actual electricity production data collected in the reporting period under actual weather conditions be compared to in order to assess performance.

- Commissioning plan Provided
- M&V plan Provided
- IPMVP used as basis
  - Option A. Retrofit Isolation: Key Parameter Measurement
  - Option B. Retrofit Isolation: All Parameter Measurement
  - Option C. Whole Facility
  - Option D. Calibrated Simulation.
- Calculations used as basis (with metering)
- Calculations used as basis (without metering)
- Other

________________________________________________________________
________________________________________________________________