

**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 proposed project is expected to produce savings in excess of the assessment (a savings-to-investment ratio greater than 1 as determined by the [GREEN BANK] [[Name], a qualified Technical Reviewer (as such term is defined in the Program Guidelines) in the C-PACE Program] [the Technical Administrator (as such term is defined in the Program Guidelines) in the C-PACE Program]
- **The property owner receives consent of the current mortgage holder(s)**

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, on average.
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 [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 [redacted] 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: [redacted]

Other Savings (specify): [redacted]

TOTAL: [redacted]

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.

LENDER:	
	By: _____
	<i>Authorized Representative</i>
	By: _____
	<i>Name</i>
	By: _____
	<i>Title</i>
	By: _____
	<i>Date</i>