

## Subsidized Loan Summary of Conditions

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Below are the fairly straightforward Program requirements for a third party loan subsidy that will be set forth in a Subsidy Agreement. The third party lender, as the primary capital provider, sets forth all the provisions that would typically be included in a commercial lease or lending transaction. The Subsidy Agreement is only drafted and executed upon review of a complete project application by the Program Administrator, Abundant Power Solutions, LLC, and approval by the Loan Review and Governance Committee of AlabamaSAVES, LLC:

- Project must provide energy and/or utility savings that will reasonably achieve payback of loan or credit costs within 10 years. Refer to the Technical Guide posted at [www.AlabamaSAVES.com](http://www.AlabamaSAVES.com) for additional guidance. Although performance guarantees or insurance may and can be offered by participating contractors or vendors, the Program does not require guaranteed performance contracts be provided to the borrower. These details and associated costs, if any, are left entirely up to the borrower and contractors.
- Utility account data release for up to 3 years prior, then through the term of the loan on all utility accounts impacted by a program subsidized loan.
- \$1,000 Application fee (\$500 for projects less than \$250K), non-refundable and payable upon submission of the Application, payable to:
  - AlabamaSAVES, LLC
  - c/o Abundant Power Solutions, LLC
  - 2201 South Boulevard – Suite 300
  - Charlotte, NC 28203
- 2% Origination Fee (due at signing of Subsidy Agreement).
- Normal and customary lender fees as may be assessed by lender (filing fees, underwriting fees, etc)
- Pre-qualification of all service providers (installing contractors/vendors, engineers and ESCO's) participating in the project, as determined by the Program Administrator.
- Compliance with latest program Technical Guide and Service Provider Application Guide as posted online at [www.AlabamaSAVES.com](http://www.AlabamaSAVES.com)
- Compliance with "Exhibit A".

### Calculation of Subsidy:

- **Interest Rate Buydown:** An amount equal to the Net Present Value of the difference between market rates and the program rate of **1%** will be paid to the third party lender on behalf of the borrower to effect a **1%** interest rate to the borrower, with a maximum buydown of 500 basis points. Market rate, as determined by the third party lender, must be considered reasonable given the credit of the borrower, as will be reviewed by the Program Administrator.
- **Loan Loss Reserve:** When a borrower's credit dictates, an amount equal to 10% of loan amount can be set aside in ESCROW upon mutually agreeable terms between a third party lender and AlabamaSAVES, LLC, for the benefit of that lender in the event of default.