

RFP 18, Exhibit A: Selected Indicative Terms

This Exhibit presents selected indicative terms, subject to negotiation and underwriting, for sample product types that may be relevant to market participants applying for financing under RFP 18. These terms are for discussion purposes only and have not been approved by NY Green Bank (“NY Green Bank”), a division of the New York State Energy Research & Development Authority (“NYSERDA”). The terms, including indicative pricing terms, set forth herein are not the complete terms and conditions of any financing agreement and are subject to withdrawal and change at any time. The final approval and completion of the proposed facility described herein will be dependent upon, among other things, the completion of satisfactory due diligence and document review by NY Green Bank and the execution of definitive documentation acceptable to NY Green Bank, the terms of which may differ substantially from the terms set forth herein.

Predevelopment Loan	
<i>Product (“Loan”) Description</i>	<i>Flexible capital to support the cost-intensive repair (including HQS compliance measures), design, planning, and analysis stage required prior to commencing construction for projects to build or retrofit multifamily affordable housing buildings to high levels of energy performance in New York State.</i>
I. Financing Parties	
Lender	NY Green Bank (“NYGB” or “Lender”).
Sponsor	[Affordable housing owner/operator, developer/development team, or service provider].
Borrower	Sponsor or Special Purpose Vehicle (SPV) owned by Sponsor.
Guarantor	Sponsor, contractor, or other third party.
II. Project Description	
Project	[Eligible project under RFP 18].
III. Principal Financing Terms	
Loan Sizing Parameters	Amount to be lent (“Loan Amount”) will be sized based on the strength of guarantees, collateral package, and availability of takeout financing as applicable.
Eligible Project Costs	Proceeds of the Loan may be used for any approved pre-development costs including the acquisition of vacant or improved land, HQS upgrades, design, surveys, environmental reports, appraisal, physical needs assessment, lead and asbestos testing, energy/sustainability consulting and technical assistance, design, architectural drawings, HQS upgrades, application fees, and legal fees.
Equity Contribution Requirement	Nonprofit and M/WBE Sponsors will have contributed a minimum of 5% of the total acquisition and predevelopment budget prior to or at Loan closing. For-profit Sponsors will have contributed a minimum of 10% of the total acquisition and predevelopment budget prior to or at Loan closing.
Maturity	Maximum of 36 months after closing date.
Interest Rate	Fixed or floating, at such rate that, on a portfolio basis, expected returns cover expected losses.
Repayment	Interest paid on a current basis or paid from an interest reserve held back from Loan proceeds and sized for the full term of the Loan. Principal due at the

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	earlier of loan maturity or closing on construction financing.
Recourse	Full recourse to the Sponsor or Guarantor.
Payment Guarantee ("Guarantee")	Personal or corporate payment guarantee of 100% of loan amount. Guarantor must demonstrate liquidity and provide full financial statements including all other outstanding guarantees and contingent liabilities such as springing guarantees.
Collateral	<ol style="list-style-type: none"> 1. Sponsor Guarantee; and/or 2. Perfected security interest in favor of NYGB in all assets of the Borrower, including a first-priority security interest in the assets constituting the Projects.
Fees	Up to 1.5% of Loan Amount shall be due at closing.
IV. Other Terms	
Covenant	Borrower will covenant to pursue certain energy performance measures identified in physical needs assessment or other approved/verified analysis, to be agreed upon between Borrower and Lender during due diligence.
Third Party Reports	Appraisal and environmental reports may be required and must be ordered or approved by Lender (with date and third-party firm subject to Lender determination of suitability).
Environmental Indemnification	At the closing of the Loan, Borrower and Guarantors shall execute an environmental indemnification agreement, jointly and severally indemnifying the Lender(s) against any and all costs associated with any environmental issues arising in connection with the Property. The Guarantor will provide customary environmental indemnification and non-recourse carve-out guaranty (i.e. "bad boy" indemnification). If demolition is undertaken during the Loan term, Borrower must execute a supplemental Construction Obligations & Risk Indemnification agreement.
Loan Underwriting Requirements	<ol style="list-style-type: none"> 1. Lender's satisfactory review of all relevant regulatory approval processes; 2. Lender's review and approval of zoning analysis certified by the project architect; 3. Evidence that Borrower has met the minimum equity requirement; 4. Satisfactory completion of background checks and "know your client" due diligence; 5. Delivery and satisfactory review by Lender of all other required due diligence items; and 6. Other reasonable requirements determined during underwriting.
Reporting Covenants	<ol style="list-style-type: none"> 1. Internally prepared financial statements for Borrower and Guarantor to be delivered quarterly within 45 days of each fiscal quarter end. 2. Annual financial audit for Borrower and Guarantor to be delivered within 150 days of fiscal year end.

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	<p>3. Other Reporting: Within 15 days after the end of each calendar quarter, upon written request of Lender, Borrower/Sponsor shall provide updates on the Project's status, with special attention to predevelopment milestones, and progress toward securing all construction financing sources and construction closing.</p> <p>4. The Guarantor shall certify:</p> <ul style="list-style-type: none"> a. No negative financial history (bankruptcy, etc.); b. All licenses and certifications necessary to operate the Project as intended remain in full force and effect; and c. No failure to perform under loans, investor agreements or regulatory agreements.
Expenses	<p>Borrower and Lender will typically each bear their respective legal and other third-party costs, subject to negotiation and determination on a case-by-case basis. Borrower must bear Lender costs incurred if Borrower decides not to proceed with transaction. Legal and other third-party costs can be financed.</p>

Electrification/Energy Efficiency Improvement Loan	
<i>Product ("Loan") Description</i>	<i>Project finance loans to support the purchase/lease and installation of specific equipment related to electrification, clean energy generation, efficiency/building envelope improvements, smart building technologies, etc. in multifamily affordable housing buildings in New York State.</i>
I. Financing Parties	
Lender	NY Green Bank ("NYGB" or "Lender").
Sponsor	[Affordable housing owner/operator, developer/development team, or service provider].
Borrower	Special Purpose Vehicle (SPV).
Guarantor	Project Sponsor, contractor, or other third party.
II. Project Description	
Project	[Eligible project under RFP 18].
Contractors	Lender must approve all contracts with third parties, including operations and management providers and lessors.
III. Principal Financing Terms	
Loan Sizing Parameters	Loan may cover up to 100% of project cost net of incentives, provided that loan underwrites to minimum DSCR of 1.15.
Eligible Project Costs	<ol style="list-style-type: none"> 1. Procurement, installation, and/or upgrade costs incurred in connection with Project equipment or systems; and 2. Transaction costs relating to Loan.
Maturity	Construction/installation period of up to 36 months followed by up to 15-year fully amortizing permanent loan, not to exceed expected equipment life.
Interest Rate	Fixed, at such rate that, on a portfolio basis, expected returns cover expected losses.
Principal Repayment	During construction/installation period, loan will be interest only. Interest may be paid from a reserve held back at closing. At conversion, loan will be fully level amortized over a up to 15-year period with monthly payments of principal and interest.
Voluntary Prepayment	The prepayment penalty will be 5% during the first year of the loan, and will decrease by ½% during each subsequent loan year. There will be no penalty after the tenth year.
Recourse	Non-recourse to the Project Sponsor.
Equity Contribution Requirement	Project Borrower or Project Sponsor must provide a minimum equity contribution of 5% of the total project cost.
Collateral	<ol style="list-style-type: none"> 1. The loan will be secured by a 1st lien security interest in the equipment being financed and all other assets owned by the borrower entity, and an assignment of all related leases and agreements determined during underwriting. 2. All appropriate subordination, non-disturbance, and attornment agreements (SNDA) will be executed in accordance with requirements of the tax credit investor, if applicable. 3. The construction contract will include:

Electrification/Energy Efficiency Improvement Loan	
	<ul style="list-style-type: none"> a. A production guarantee from the system installer; and b. Review of system performance by a third-party reviewer. The system will be commissioned by a third-party reviewer.
Payment Guarantee (“Guarantee”), if applicable	Personal or corporate payment guarantee of 100% of loan amount. Guarantor must demonstrate liquidity and provide full financial statements including guarantees and contingent liabilities such as springing guarantees.
Fees	Up to 1.5% of the Loan Amount shall be due at closing.
Reserve Requirements	Reserve requirements to be determined on case-by-case basis.
Disbursement	TBD.
IV. Other Terms	
Environmental Indemnification	At the closing of the Loan, Borrower and Guarantors shall execute an environmental indemnification agreement, jointly and severally indemnifying the Lender(s) against any and all costs associated with any environmental issues arising in connection with the Property. The Guarantor will provide customary environmental indemnification and non-recourse carve-out guaranty (i.e. "bad boy" indemnification). If demolition is undertaken during the Loan term, Borrower must execute a supplemental Construction Obligations & Risk Indemnification agreement.
Loan Underwriting Requirements	<ol style="list-style-type: none"> 1. Lender’s satisfactory review of all relevant regulatory approval processes; 2. Lender’s review and approval of zoning analysis certified by the project architect; 3. Evidence that Borrower has met the minimum equity requirement; 4. Satisfactory completion of “know your client” due diligence; 5. Delivery and satisfactory review by Lender of all other required due diligence items; and 6. Other reasonable requirements determined during underwriting.
Reporting Covenants	<ol style="list-style-type: none"> 1. Internally prepared financial statements for Borrower and Guarantor to be delivered quarterly within 45 days of each fiscal quarter end; 2. Annual financial audit to be delivered within 150 days of fiscal year end; 3. <u>Other Reporting</u>: Within 15 days after the end of each calendar quarter, upon written request of Lender, Borrower/Sponsor shall provide updates on the Project’s status, with special attention to project performance and environmental metrics; and 4. The Guarantor to provide ongoing reporting to demonstrate: <ul style="list-style-type: none"> a. No negative financial history (bankruptcy, etc.);

Electrification/Energy Efficiency Improvement Loan	
	<ul style="list-style-type: none"> b. All licenses and certifications necessary to operate the Project as intended remain in full force and effect; and c. No failure to perform under loans, investor agreements or regulatory agreements.
Expenses	Borrower and Lender will typically each bear their respective legal and other third-party costs, subject to negotiation and determination on a case-by-case basis. Borrower must bear Lender costs incurred if Borrower decides not to proceed with transaction. Legal and other third-party costs can be financed.

Construction-to-Permanent Loan	
<i>Product ("Loan") Description</i>	<i>Competitively priced gap financing to support the construction or retrofit/installation phase of high-performance multifamily affordable housing in New York State. NYGB is willing to consider forward rate locks in some cases.</i>
I. Financing Parties	
Lender	NY Green Bank ("NYGB" or "Lender").
Sponsor	[Affordable housing owner/operator, developer/development team, or service provider].
Borrower	Special Purpose Vehicle (SPV).
Guarantor	Project Sponsor, contractor, or third party.
II. Project Description	
Project	[Eligible project under RFP 18].
General Contractor	Construction contractor acceptable to lender.
III. Principal Financing Terms	
Loan Sizing Parameters	Amount is subject to final operating and cash flow budget, sources and uses. Minimum stabilized, appraised DSCR of 1.15. Loan shall be sized as not to exceed 90% loan-to-cost (LTC) or 80% loan-to-value (LTV) ratio, whichever is lower.
Advances	Advances from construction loan will be made not more than once per month, based on a percentage of approved work in place and will be subject to a 10% retention pending satisfactory completion of the improvements. Retention to be released when all conditions for permanent conversion have been met.
Construction Loan Availability	Maximum construction term of 36 months after closing date, converting to permanent at completion.
Permanent Loan Maturity	No greater than 15 years after conversion to permanent.
Permanent Loan Amortization	Up to 30-year level amortization with a balloon payment at maturity. Amortization period aligned with senior mortgage, if applicable, subject to Lender approval.
Eligible Project Costs	Agreed-upon eligible costs related to Project engineering, construction, and transaction expenses. NYGB financing can be used to support project costs other than those directly related to energy efficiency or clean energy measures.
Interest Rate	Fixed or variable, at such rate that, on a portfolio basis, expected returns cover expected losses.
Equity Contribution Requirement	Project Borrower or Project Sponsor must provide a minimum equity contribution of 5% of the total project cost.
Repayment	The construction loan will be interest only and repaid by either a third party permanent lender or conversion to a permanent loan by the construction Lender. The permanent loan will be repaid with level amortizing principal and interest payments and a balloon payment at maturity.
Distribution Conditions	During the construction period, hard costs will be advanced based on a percentage of completion in accordance with an approved line-item budget, 10% retainage, and construction monitoring reports and

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	approvals by Lender and Lender's construction consultant. Disbursements for soft costs will be on a reimbursement basis. Borrower equity will be spent before Lender loan proceeds.
Collateral	First position lien on all assets of the borrower.
Fees	Up to 1.5% of the Loan Amount shall be due at closing.
Letter of Credit	10% letter of credit sized on total hard cost budget.
Guarantees	<ol style="list-style-type: none"> 1. The Loan is fully recourse to the Borrower; 2. The Guarantor will provide a full repayment guarantee; and 3. The Guarantor and the General Contractor will provide a construction completion guarantee.
Reserve Requirements	Unless the interest payments are otherwise provided by the Sponsor or other creditworthy entity, the development budget must include an interest reserve satisfactory to Lender. During the construction term, monthly interest-only payments made from an interest reserve to be established as part of the loan budget and disbursed as interest costs are incurred. An operating or lease-up reserve may be required during construction, subject to underwriting.
Contingency Requirements	Minimum 10% contingency for hard costs is required and is to be calculated on total general contract amount including profit, overhead, and general conditions. Minimum 2-5% contingency for soft costs.
IV. Other Terms	
Appraisal Requirements	Project appraisal determined suitable by Lender is required.
Environmental Indemnification	At the closing of the Loan, Borrower and Guarantors shall execute an environmental indemnification agreement, jointly and severally indemnifying the Lender(s) against any and all costs associated with any environmental issues arising in connection with the Property. The Guarantor will provide customary environmental indemnification and non-recourse carve-out guaranty (i.e. "bad boy" indemnification). If demolition is undertaken during the Loan term, Borrower must execute a supplemental Construction Obligations & Risk Indemnification agreement.
Loan Underwriting Requirements	<ol style="list-style-type: none"> 1. Lender's satisfactory review of all relevant regulatory approval processes; 2. Lender's review and approval of zoning analysis certified by the project architect; 3. Evidence that Borrower has met the minimum equity requirement; 4. Satisfactory completion of "know your client" due diligence; 5. Delivery and satisfactory review by Lender of all other required due diligence items; and 6. Other reasonable requirements determined during underwriting.
Conditions Precedent to Closing	Standard for transactions of this nature, including: <ol style="list-style-type: none"> 1. Receipt of executed Access Agreements with all adjacent landowners that need to provide access

Construction-to-Permanent Loan	
	<p>to Sponsor in order to commence with pre-construction and construction activities that are required for completion of the Project;</p> <ol style="list-style-type: none"> 2. Evidence of fulfillment of Equity Contribution Requirement; 3. If applicable, acceptable LIHTC equity pay-in schedule; 4. Borrower's agreement with General Contractor; 5. Receipt of all necessary building permits and other required governmental approvals; 6. Borrower/LLC operating agreement; 7. If applicable, evidence of availability of subsidy that is to be provided by government agency or philanthropic funder, which may include eligibility, commitment letters, agency approvals, grant or regulatory agreements, etc.; 8. Indication of commitment from permanent lender to originate permanent loan at terms and conditions consistent with underwriting standards; 9. Permanent rate lock at a rate and for a term consistent with underwriting; 10. Lender approval of any lender conversion conditions for the perm loan; and 11. Other standard conditions appropriate for the transaction.
Affirmative Covenants	Any covenants will be determined during underwriting.
Negative Covenants	Any covenants will be determined during underwriting.
Reporting Covenants	<ol style="list-style-type: none"> 1. Annual Reporting: <ol style="list-style-type: none"> a. Financials, for Borrower, Sponsor, and Guarantor, within 150 days of fiscal year end; and b. Schedule of Real Estate Owned for Sponsor. 2. Quarterly Reporting: <ol style="list-style-type: none"> a. Guarantor and Sponsor must provide interim financial statements within 45 days of each quarter end; and b. Project updates detailing status of construction completion, change orders, and sign offs. 3. The Guarantor shall certify: <ol style="list-style-type: none"> a. No negative financial history (bankruptcy, etc.); b. All licenses and certifications necessary to operate the Project as intended remain in full force and effect; and c. No failure to perform under loans, investor agreements or regulatory agreements.
Expenses	Borrower and Lender will typically each bear their respective legal and other third-party costs, subject to

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	negotiation and determination on a case-by-case basis. Borrower must bear Lender costs incurred if Borrower decides not to proceed with transaction. Legal and other third-party costs can be financed.

Permanent Mortgage	
<i>Product ("Loan") Description</i>	<i>Competitively priced gap financing/mortgage participation for high-performance multifamily affordable housing buildings in New York State, including at refinancing, underwritten to greater projected energy savings than is typical of other permanent debt lenders. NYGB generally does not expect to act as a property's sole senior mortgage lender but rather provide incremental debt on a pari passu or subordinated basis.</i>
I. Financing Parties	
Lender	NY Green Bank ("NYGB" or "Lender").
Sponsor	[Affordable housing owner/operator, developer/development team, or service provider].
Borrower	Sponsor or a Special Purpose Vehicle (SPV) owned by Sponsor.
Lender's Agent	TBD – Depending on structure (E.g., construction lender could sell loan to NYGB upon conversion).
Mortgage Insurer	Mortgage insurance requirements to be determined on case-by-case basis.
Senior Lender	NYGB will lend to projects that have an existing senior lender.
II. Project Description	
Project	[Eligible project under RFP 18].
III. Principal Financing Terms	
Loan Sizing Parameters	Amount is subject to final operating and cash flow budget, sources and uses. Minimum stabilized, appraised DSCR of 1.15. Loan shall be sized as not to exceed 90% loan-to-cost (LTC) or 80% loan-to-value (LTV) ratio, whichever is lower.
Maturity	No greater than 15 years from loan closing.
Amortization	Up to 30-year level amortization with a balloon payment at maturity. Amortization period aligned with senior mortgage, if applicable, subject to Lender approval.
Interest Rate	Fixed or floating, at such rate that, on a portfolio basis, expected returns cover expected losses
Equity Contribution Requirement	Project Borrower or Project Sponsor must provide a minimum equity contribution of 5% of the total project cost.
Collateral	1. First or subordinate mortgage on the land and improvements at [Project Addresses]; and 2. Assignment of leases and rents.
Source of Repayment	Operating cash flow.
Loan Fee	Up to 1.5% of Loan Amount.
Prepayment Penalty	The prepayment penalty will be 5% during the first year of the loan and will decrease by ½% during each subsequent loan year. There will be no penalty after the tenth year.
Reserve Requirements	1. Replacement reserves: An amount TBD per unit per year, increasing X% annually, subject to permanent lender underwriting and recommendations of the capital needs assessment; and

	<ol style="list-style-type: none"> 2. Capitalized Operating Reserve: 12 months of M&O, subject to permanent lender underwriting and projected operating shortfalls for next 15 years.
Subordinate Financing	Subordinate financing and seller's notes are permitted with subject to certain conditions and terms, and NYGB is willing to be a subordinate lender. Such loans would be fully subordinated in terms of collateral and remedies and subject to a subordination agreement approved by NYGB.
IV. Other Terms	
Environmental Indemnification	At the closing of the Loan, Borrower and Guarantors shall execute an environmental indemnification agreement, jointly and severally indemnifying the Lender(s) against any and all costs associated with any environmental issues arising in connection with the Property. The Guarantor will provide customary environmental indemnification and non-recourse carve-out guaranty (i.e. "bad boy" indemnification). If demolition is undertaken during the Loan term, Borrower must execute a supplemental Construction Obligations & Risk Indemnification agreement.
Loan Underwriting Requirements	<ol style="list-style-type: none"> 1. Lender's satisfactory review of all relevant regulatory approval processes; 2. Lender's review and approval of zoning analysis certified by the project architect; 3. Evidence that Borrower has met the minimum equity requirement; 4. Satisfactory completion of "know your client" diligence; 5. Delivery and satisfactory review by Lender of all other required due diligence items; and 6. Other reasonable requirements determined during underwriting.