



Term Sheet for Catalyst Construction & Term Loan

This Term Sheet for the Catalyst Construction and Term Loan (this **Term Sheet**) is for discussion purposes only. It is not an offer, commitment, or agreement by Inclusive Prosperity Capital, Inc. or any of its subsidiaries (collectively, **IPC**) to enter into a financing arrangement. This Term Sheet is a summary and does not contain all terms and conditions of a typical loan facility with IPC. A legally binding obligation on the part of IPC will be established only if the parties execute definitive written agreements, and only after IPC completes its due diligence and is satisfied with the other conditions contained in the agreements. The terms and conditions included in this Term Sheet may be withdrawn or changed at any time, including the loan amount and interest rate, and remain subject to credit approval from IPC.

The Catalyst Loan from IPC is a combined construction and term loan that funds energy, resiliency, and health and safety improvements for existing buildings. Catalyst can also bridge rebates from utilities and incentives, including from the federal Inflation Reduction Act. Catalyst finances affordable and market-rate multifamily properties (5+ residential units) and buildings owned by non-profits and municipalities. It provides an alternatively secured financing solution for properties that are unable to obtain conventional debt.

Catalyst Eligibility Requirements & Loan Amounts	
Eligible Properties	<ul style="list-style-type: none"> • Multifamily properties with 5 or more residential units, whether affordable, market rate, and/or mixed-use. This includes rental apartments, condominiums, and cooperatives that are regulated affordable housing, naturally occurring affordable housing (NOAH), or market rate housing • Non-residential properties owned by nonprofits and municipalities, including community centers and houses of worship
Eligible Uses	<ul style="list-style-type: none"> • Construction-permanent and/or incentive bridge funding for: <ul style="list-style-type: none"> – Energy efficiency, water conservation, and electrification measures – Renewable energy, energy storage, and EV charging installations – Building upgrades necessary to enable energy and resiliency measures – Energy-adjacent health & safety and resiliency measures – Costs for commissioning, green building certification, and monitoring/verification – Others, as qualified by IPC <p>(All equipment should meet federal efficiency standards, including those outlined in the DOE EE&RE Appliance and Equipment Standards Program, or otherwise approved by IPC.)</p>
Loan Amounts	\$50,000 to \$2,000,000 (Larger loan amounts by exception)

Catalyst Loan Terms	
Term	<ul style="list-style-type: none"> • Interest-only construction period not to exceed 2 years • Amortization term of 7-20 years for balance at project completion
Interest Rates* (*rates are subject to change)	Fixed rates between 4.99% - 6.99%, depending upon: <ul style="list-style-type: none"> • Housing affordability • Term length
Catalyst Underwriting Requirements	
Underwriting	<ul style="list-style-type: none"> • Evidence of ability to successfully repay debt based on projected cost savings and overall financial strength
Projected Debt Service	Minimum projected global DSCR of 1.20X for apartments; exceptions will be evaluated on a case-by-case basis, including for condos, co-ops, non-profits, and others that may use alternative coverage ratios.
Security Options	<ul style="list-style-type: none"> • UCC-1s on financed equipment and improvements • Collateral assignments of income streams (HOA fees, solar, rebates) • Corporate or parent company guarantees • Other IPC-approved security options
Prepayment	No penalty for prepayment of a Catalyst loan
Borrower Contribution	Catalyst is designed to finance up to 100% of project costs and fees
Fees	3% closing fee that includes all standard closing costs and legal fees; additional legal and other fees may apply for non-standard projects; all fees may be financed into loan
Energy Audit	ASHRAE II energy audits are generally required; however, depth, scope and level may vary by project size and complexity. IPC will seek to accommodate utility and other audit requirements of a local geography to help align programs and prevent duplication of effort. IPC will also accommodate IRA audit/modeling standards as they become available.
Vendor Qualification Requirements	IPC will review contractors and service providers to ensure they are qualified to deliver services.
Energy Performance Monitoring & Verification	Ongoing energy monitoring of the property is required using Energy Star Portfolio Manager or a compatible system, costs for which can be included in the loan amount. Exceptions may be approved by IPC.