



effective_date_ts

Attn: first_name last_name
business_legal_name
email
mobile_phone

RE: **Pre-Development Bridge Facility**

Dear first_name:

Thank you for giving us this opportunity to provide you with this Summary of Terms and Conditions ("Term Sheet") for project_name ("Project").

This Summary of Terms and Conditions is for discussion purposes only and is not a commitment to lend by the Lender. Any commitment ("Loan") is subject to due diligence and final approval. The following is an outline of the terms and conditions which are generally available at this time. These terms and conditions are subject to change at any time prior to the execution of a binding commitment as summarized in the Form C, based on the market, underwriting, collateral and other conditions.

This Term Sheet is not considered as a commitment letter but is for discussion purposes only. **If the terms and conditions of this Term Sheet are acceptable, please indicate by executing and returning this original proposal letter by deadline_ts, at which time this proposal will expire if not accepted.**

On behalf of Climatize, we look forward to continuing to work with you and your colleagues on the proposed financing. Please feel free to contact me if you have any questions.

Sincerely,

Climatize Earth Securities LLC

[Signature Jim]

Jim Goldman
Director of Finance

[Signature date Jim]

[Acknowledged and Accepted on Following Page]

This Term Sheet is acknowledged and accepted by the following:

business_legal_name

[Signature first_name]

first_name last_name

title

[Signature date first_name]



Terms & Conditions: Pre-Development Bridge Loan

This Term Sheet is a summary of certain points of the transaction. Certain due diligence items also will be required to be provided for review and approval.

Summary Description	A Pre-Development Bridge Loan (" Loan "), not to exceed the Maximum Offering Amount, to finance the pre-development of project_name . The Loan will provide business_legal_name with a bridge from pre-development to NTP.. It is designed to provide business_legal_name with liquidity and flexibility for pre-development in accordance with the proposed use of funds.
Project	See attached Appendix A .
Borrower	business_legal_name .
Issuer	business_legal_name .
Guarantor	business_legal_name . The Guarantee will be in effect during the entire term of the credit facility.
Lender	TBD. The final contracts including, but not limited to, the Form C and any contracts or agreements, as applicable, may be novated to reflect individual pro rata Lenders as required. Climatize, an SEC-registered Funding Portal, issues debt securities and leverages tax credit transferability provisions providing a platform for the Issuer to raise funds to finance the Project through Regulation Crowdfunding. As part of this process, Climatize services the loan including, but not limited to, disbursing payments to Lender and acting on behalf of Lender in the case of default.
Offering/Credit Facility	Pre-Development Bridge Loan.
Offering Amount	The Maximum Offering Amount is \$ maximum_offering_amount plus any applicable fees. The Maximum Offering Amount is the maximum amount the Issuer is seeking to raise. The Target Offering Amount is \$ target_offering_amount plus any applicable fees. The Target Offering Amount is the minimum amount the Issuer must raise for the offering to be considered successful. The Maximum Term Amount shall not exceed the Maximum Offering Amount.
Term	The term is a term month period following the date that Climatize successfully completes the capital raise (" Funding



	Date ") in which distributions shall be made to the Issuer in accordance with the Draw Schedule, by request of the Issuer, or by mutual agreement of the parties.
Price	rate % per annum on the amount funded which shall not be less than the Target Offering Amount or greater than the Maximum Offering Amount.
Fees	<p>Commitment Fee. A fee of \$2,500 payable to Climatize due upon execution of the Term Sheet. The Commitment Fee is used to pay one-time fees due to third-parties and related filing costs. These fees include the following:</p> <ol style="list-style-type: none">1. Escrow Account Set Up: \$575 payable to Escrow Agent.2. Background Checks: \$100/background check payable to Escrow Agent.3. Financial Review/Audit: cost varies and is payable to an external CPA. Depending on the size of the offering, a financial review or an audit may be required. This can be completed in less than one week.4. Filing Fees: \$150 fee to file for and obtain Edgar codes and a \$500 filing fee to file all other related filings to list Project payable to Climatize. <p>The Commitment Fee may be waived in part or phased based on milestones at the sole discretion of Climatize. The Issuer will only be responsible for actual third-party fees incurred in the event of cancellation.</p> <p>Origination Fee: 5% of the Maximum Offering Amount due on the Funding Date payable to Climatize. Any unused portion of the Commitment Fee shall be credited to the Origination Fee payable.</p> <p>Annual Fees. Climatize services the Loan including, but not limited to, disbursing payments to the Lender and acting on behalf of Lender in the case of default. Annual Fees are due annually in advance. Annual Fees include the following:</p> <ol style="list-style-type: none">1. Servicing Fee: 0.50% of the Maximum Offering Amount payable Climatize annually in advance.2. Digital Transfer Agent Fee: ranging from \$400 per year for fewer than 50 investors to \$750 per year for more than 51 investors, payable to applicable third-party transfer agents annually in advance.
Repayment	The Loan is interest-only with the accrued and unpaid interest payable due quarterly each January 1, April 1, July 1, and October 1 following the Funding Date. All outstanding



	accrued and unpaid interest and principal will be due on the final day of the Term (" Maturity Date ").
Security	<p>A lien on all project assets provided the security will secure all of the obligations owed to Lender, consents and assignments of certain key project documents as may be required (e.g. Grant pre-approval, PPA, EPC, Site Lease, and O&M), assignment or pledge of any rebate, grant, tax credit and/or incentive, as applicable, and an assignment of interconnection rights or development fees, as applicable.</p> <p>The final promissory note and assignment agreement will reflect the security and/or collateral as agreed by the parties.</p>
Collateral	<ol style="list-style-type: none">1. All project equipment.2. All contracts for operation of the project.3. Any applicable leasehold mortgage associated with the project.4. All equity owned by Issuer, Borrower and/or Borrower parent, as applicable, with respect to the project.5. All interconnection rights, deposits and development fees, as applicable.
Indemnity	Borrower agrees to indemnify and hold harmless Lender and Climatize against any and all claims, actions, damages, losses, liabilities, costs, expenses or payments of whatever nature and however arising that Borrower suffers, incurs or is liable for under the Term Sheet or related documents.
Financial Covenants	Those customary for transactions of this type. Specific to this transaction, Issuer is to notify Climatize of any material change in circumstances.
Payment Waterfall	<p>Distributions from the Payment Reserve Account will occur quarterly in the following order of priority:</p> <ol style="list-style-type: none">1. Reimburse Climatize for any unpaid Loan expenses.2. Pay accrued and unpaid interest due to Lender.3. Pay principal due to Lender.4. Replenish Payment Reserve Account to the Minimum Reserve Amount.5. Transfer remaining balance in excess of Minimum Reserve Amount to Borrower's operating account, so long as no Event of Default has occurred.
Use of Funds	The funds provided Issuer may be used to fund pre-development expenses including, but not limited, to the following: (1) site control finalization and real estate work, (2)



	<p>environmental studies, (3) local permitting and community engagement, (4) professional engineering fees, and (5) utility application and milestone fees..</p> <p>The funds provided are not to be used for SG&A expenses unrelated to the development of the Project.</p>
Financial Reporting	<p>Issuer shall be required to submit annual financial statements and covenant compliance certificates within sixty (60) days of the fiscal year end.</p> <p>The Issuer agrees to comply with all ongoing financial reporting requirements under Regulation Crowdfunding (Reg CF), as applicable, including, without limitation, the timely filing of the Form C-AR and any other periodic disclosures required by the SEC.</p>
Prepayment	<p>No prepayment penalty will be assessed.</p>
Payment Reserve Account	<p>Deposit account maintained by Borrower at North Capital Private Securities Corporation at all times during the Term of the Loan. On the Funding Date, the account shall be funded by the Borrower and shall be equal, at minimum, to one (1) quarterly payment ("Minimum Reserve Amount").</p> <p>In the event that the Payment Reserve Account balance is less than the Minimum Reserve Amount, the Borrower shall have thirty (30) days to true up the balance to the Minimum Reserve Amount. Failure to timely fund the Payment Reserve Account shall constitute an Event of Default.</p>
Insurance	<p>Issuer or Borrower, as applicable, shall provide evidence of insurance including, but not limited to Liability and Property and Casualty insurance in the amounts and in the form satisfactory to Climatize for the project.</p> <p>Prior to the Funding Date, Issuer shall disclose to Climatize its current insurance policies and Climatize shall provide written confirmation to Issuer confirming that no additional changes are required. Appendix B details the types of insurance that may be required depending on the Project.</p>
Issuer Documentation	<p>Documentation required from the Issuer shall include, but not be limited to, the following:</p> <ol style="list-style-type: none">1. Reviewed or audited financial statements covering the two most recent fiscal years completed as required by statute.2. Certificate of incorporation or formation.3. Organizational Chart.4. EIN Documentation.



	<ol style="list-style-type: none">5. Governing Documents (e.g. LLC agreement, operating agreement, bylaws, etc.)6. Ownership Documents (e.g. schedule of owners, cap table, etc.)7. Amendments to corporate documents.8. Background Check Authorization Form for all covered persons. Covered persons include, but are not limited to, the Issuer, directors, general partners, managing members, executive officers, beneficial owners, etc.
Project Documentation	<p>Project Documentation required for the Project shall include, but not be limited to, the following:</p> <ol style="list-style-type: none">1. Power Purchase Agreement, equipment lease or equivalent commodity purchase agreement.2. Interconnection Agreement.3. Engineering, Procurement, and Construction (“EPC”) Agreement.4. Lease/Easement Agreements with respect to real property material to the project; including a recorded memorandum of the Lease/Easement Agreements.5. Tax credit and environmental attributes monetization strategy and or financing agreements.6. Operations and maintenance (“O&M”) agreement.7. All necessary governmental and regulatory permits, including environmental and building permits to allow construction, ownership and operation of the Project.9. Other agreements with respect to the Project, as may be necessary and as agreed to by the Issuer or Borrower and Climatize. <p>As pre-development projects, the parties shall maintain a shared data room and, as appropriate, the Issuer shall reasonably upload project related documents as they become available. Additionally, the Issuer shall provide a monthly Periodic Development Status Report to Climatize a sample of which is attached as Appendix C.</p>
Accounts	None other than those identified for the Payment Reserve Account.
Events of Default	<p>Customary for transactions of this nature.</p> <p>In the event that the offering fails to reach the Target Amount within the Offering Period, or the Issuer cancels during the</p>



	Offering Period, the Issuer is liable for all third-party fees and costs incurred and the Commitment Fee.
Closing Costs	Lender and Climatize will not incur any expenses whatsoever in connection with the application, closing and offering. The Issuer will be required to pay all costs and expenses incurred in the preparation of the application and for the closing of the transaction whether ultimately closed or not, including, without limitation, legal fees and recording costs.
Conditions Precedent to Closing	TBD.
Confidentiality	The Issuer and/or Borrower agrees to keep this term sheet and all of its material terms confidential. The Borrower is not to disclose this term sheet or any of its material terms to anyone except as such disclosure is required by law or regulation or as a result of any legal or administrative proceeding.



Appendix A

[Project Listing and Description]

[illegible]



Appendix B

General Insurance Requirements

General Requirements

- The policies must provide for 30 days written notice to Lenders and their successors and assigns of any material change in, or cancellation of the policy. Certificates with disclaimers for certificate holders will not be accepted. Policies shall contain an automatic renewal provision as commercially available.
- Applicable Project Companies must be named as the insured.
- The property address of all collateral must be identified as the insured property.
- Deductibles shall not be more than \$[AMOUNT].
- Flood, Wind and Hail are required if the location is within 100 miles of the coast or if otherwise required based on historic weather patterns.
- Insurers must be rated A- or better and have a minimum size rating of "X" by Best's.
- The Manager shall cause Issuer to promptly notify Climatize of any single loss or event likely to give rise to a claim against an insurer for an amount in excess of \$[AMOUNT] for an event of \$[AMOUNT] in the aggregate during the policy period.
- The Manager shall cause the Issuer to promptly notify Climatize of any claims (including all claims unrelated to the Project) against the Total Aggregate Limit under the Commercial General Liability policy that may materially impact the amount of coverage remaining under the Total Aggregate Limit.

Insurance Certificates

- General Liability coverage in an amount acceptable to Lender. General guidelines: Umbrella/Excess Coverage – \$[AMOUNT] per occurrence and in the aggregate; General Liability Aggregate – \$[AMOUNT]; Each Occurrence – \$[AMOUNT]; Automobile – \$[AMOUNT] / accident (bodily injury and property damage); Medical Expenses – \$[AMOUNT]; Products / Completed Operations – \$[AMOUNT].
- Workers Compensation Insurance in an amount sufficient to satisfy statutory requirements (if applicable).
- Insurance must cover the Issuer and applicable Project Company for each Facility operations, and must include coverage for premises/operations, products/completed operations, broad form property damage, contractual liability, and personal injury, with no exclusions for fire, explosion, or underground perils. Lenders must be listed as a CERTIFICATE HOLDER and ADDITIONAL INSURED on all liability policies, and rights of subrogation against Investor Member shall be waived.
- Sudden and accidental pollution coverage unless there are material recognized environmental conditions, and broader pollution coverage as commercially available.
- Separation of insured clause and no exclusion for cross-liability.
- Primary non-contributory requirement.

EPC Requirements

- Builder's Risk to All-Risk without gap/lapse.
- Contractor / Subs (including EPC and O&M) shall maintain insurance in accordance with standard industry practice, including builder's risk and liability insurance.
- Include the Issuer, Project Companies, Lender as additional insureds and loss payee.
- Subrogation Waiver.



- Non-vitiation if builder's risk claims result from affiliate acts / omissions.
- Coverage for equipment breakdown (mechanical and electrical), damages resulting from design error or faulty workmanship, named perils including flood, wind, hail, wildfire, earthquake, tornado, lightning, freezing, strike, sabotage (non-terrorism events), riot, civil commotion, vandalism, and malicious mischief, in each case subject to terms and sublimits that are consistent with current industry practice.
- Coverage shall insure all personal property of the Issuer and Project Companies whether at a fixed location, off-site storage or warehouse location, or while in the course of inland transit, for an amount of not less than full replacement cost value (without deduction for depreciation or obsolescence).
- Per occurrence deductible shall not be greater than \$[AMOUNT], except for earthquake and flood, which shall not have a deductible greater than \$[AMOUNT].
- Sharing of aggregate limit specifications.

Business Personal Property

- Lenders and the Issuer must be listed as additional insureds and loss payees.
- Coverage for equipment breakdown (mechanical and electrical), damages resulting from design, workmanship, or material defect, named perils including flood, wind, hail, wildfire, earthquake, tornado, lightning, freezing, strike, sabotage (non-terrorism events), riot, civil commotion, vandalism, and malicious mischief, in each case subject to terms and sublimits that are consistent with current industry practice.
- Coverage shall insure all personal property of the Issuer and applicable Project Companies for an amount of not less than full replacement cost value (without deduction for depreciation or obsolescence), except for personal property in temporary off-site storage or while in the course of inland transit, which shall be for an amount of not less than \$[AMOUNT] per occurrence.
- Non-vitiation if claims result from affiliate acts / omissions.

Workers Compensation

- Amount sufficient to satisfy statutory requirements (if applicable).

Business Interruption

- 12 months business interruption following all damages required to be insured above under Business Personal Property (with coverage including tax credit loss and environmental attribute revenue).
- Contingent business interruption as commercially available.
- Delay in start-up following all damages required to be insured above under EPC (minimum 12 months delay)
- Non-vitiation if business interruption claims result from affiliate acts / omissions.
- Lenders must be listed as additional insured and loss payee.
- Deductible or waiting period shall not exceed 45 days.

Endorsement

- All certificates / evidence of insurance must contain the following endorsement for Lenders:
[ENDORSEMENT]



Appendix C
Periodic Development Status Report
[Sample Guide for Report]

Form Details

Location	
Form Date	
Description	
Submitted By	
Status	
Last Update	
Last Updated By	
Included References	Assets Documents Form Details Issues Photos

Project	
Contractor	
Reporting Date	
Reported By	

Work Completed Since [DATE]	
Work Planned	
Conditions Affecting Work	
Anticipated Issues	
New Materials / Equipment	
Summary of Any Safety Incidents	

Major Components	Percent Complete
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Site Control Finalization and Real Estate Work	
Environmental Studies	
Local Permitting and Community Engagement	
Professional Engineering	
Utility Application and Milestone Payments	

Action Items	Owner	Status	Detail
Item 1			
Item 2			
Item 3			
Item 4			
Item 5			

Photos / Other
