



Solar Lease Term Sheet

This is not a commitment or an offer to lease but only describes proposed terms for discussion purposes. No commitment should be construed or implied herein. This term sheet does not purport to summarize all terms, conditions, and other provisions that may be contained in any lease documentation.

Background

WinnCompanies is the largest manager of privately owned affordable housing in the United States, managing approximately 100,000 apartments in 23 states. Winn is a family-owned company established in 1972 and has been operating in the District since 1980's. In the past decade, Winn has become a leader in "green" affordable housing, investing over \$50,000,000 into energy efficiency and renewable energy. More information at www.winncompanies.com

Winn Solar

Since 2006, Winn has installed solar power serving dozens of affordable housing communities in Washington DC, Massachusetts, Connecticut, and Pennsylvania. Winn Solar has pioneered the expansion of community solar to benefit affordable housing, with approximately 10 MW of community solar in Massachusetts alone. In 2017, Winn Solar installed the largest community solar project (to date) in the District, serving low-income households in Ward 8. Through its "Solar Savings" campaign, WinnCompanies is expanding solar access in the District, leasing available roof space, garage areas, or ground space to develop solar facilities.

Solar Financing

Solar projects are financed in part by qualifying for a 30% federal investment tax credit, but many building owners are not able to effectively utilize. To benefit from this incentive, the solar must be owned and financed by a separate company with tax liability and investment appetite. Over the past 30 years, WinnCompanies has facilitated over \$ 1 billion in tax credit investments to finance affordable housing developments, and more recently its solar project financing.

In addition to federal tax credits, solar projects generate both electricity and non-energy attributes such as solar renewable energy certificates. Certain state regulations require electric utilities to generate a portion of their total electricity from renewable sources, which utilities satisfy by purchasing solar certificates.

Solar Regulations

Pepco, the District's Public Service Commission, and DCRA administer various regulations applicable to solar design and interconnection. "Community Solar" projects interconnect to Pepco's electric grid through new separate electric service connections, and therefore are not connected behind an existing electric meter and are not constrained by existing building loads. Such projects produce electricity to export directly to Pepco, and in return Pepco allocates credits each month to designated solar subscribers, thereby reducing the monthly electric bill of those subscribers by the credit amount. District regulations call this a Community Renewable Energy Facility or "CREF". CREFs provide solar projects with increased flexibility and cost benefits, especially when matched with residential subscribers. As one of the largest landlords in the nation, WinnCompanies has created its Solar Savings campaign to facilitate community solar transactions to benefit its residents.



Lessor	_____ (“Owner”)
Lessee	Winn Solar DC LLC, or its affiliate (“Winn”)
Term	Winn will lease the Owner's [Roof, parking lot, etc] for a term of 15 years. Upon expiration or termination, Owner will have option to purchase equipment at fair market value (expected useful life of solar is 30 years).
Rent paid to Owner	Annual rent payment to Owner equals [\$50,000] per megawatt (AC) of solar installed, prorated based on actual size of installation. At Owner’s discretion, Winn could also pay a single upfront payment based on the net present value of rent over 15 years.
Rent Commencement	Upon Pepco’s Authority to Interconnect and Commercial Operation of the solar facility.
Winn responsibilities	<ul style="list-style-type: none"> Provide turnkey solar installation, including integration with Owner’s design professionals Provide for construction financing, permanent financing and tax credit equity for the solar facility Obtain Pepco Interconnection Application approval Provide adequate insurance for solar facility Obtain DCRA and zoning approval for solar facility Provide stamped structural and electrical drawings of the solar
Owner responsibilities	<ul style="list-style-type: none"> Provide access to leased facility and utility pathways Cooperate with Lessee to provide all necessary consents and approvals from lenders and limited partners, including execution of applicable SNDA’s necessary to finance the solar installation Cooperate with Lessee during the design and installation of the solar equipment to mitigate disruption and expedite installation schedule Cooperate with Pepco and Winn to provide new electric service(s) to the facility, and provide electric utility information to Pepco as necessary
Schedule	In order to maximize available incentives, the solar permitting and installation must be expedited to proceed as soon as possible. Typical projects require 6-12 months to design, permit, finance and construct.
Power Purchase	Owner has no obligation to purchase solar electricity produced by the solar facilities. Winn will provide solar subscriptions through a separate transaction.
Contact information	<p>Darien Crimmin VP Energy & Sustainability, WinnCompanies (617) 239-4540 dcrimmin@winco.com</p>