

BOND PURCHASE AND LEASE ACQUISITION AGREEMENT

among

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

VIRGINIA SAVES GREEN COMMUNITY PROGRAM, INC.

ALBEMARLE COUNTY SCHOOL BOARD

and

BANC OF AMERICA LEASING & CAPITAL, LLC

dated as of September [28], 2017

[\$7,900,000]

**Virginia Small Business Financing Authority
Taxable Qualified Energy Conservation Bond (Direct Pay)
(VirginiaSAVES Green Community Program – Albemarle County Public Schools Project),
Series 2017**

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- A. Form of Bond
- B. Form of Borrower Note
- C. Form of Completion Certificate
- D. Form of Investor Letter
- E. Form of Deed of Sale
- F. Form of Financing Lease
- G. Form of Paying Agent Agreement
- H. Form of Escrow Agreement
- I. Form of Certification of No Default

THIS BOND PURCHASE AND LEASE ACQUISITION AGREEMENT dated as of September [28], 2017 (this “Agreement”), among the **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**, a public body corporate and political subdivision of the Commonwealth of Virginia (as more fully defined hereinafter, the “Issuer”), **BANC OF AMERICA LEASING & CAPITAL, LLC**, a Delaware limited liability company, as purchaser of the hereinafter defined Bond (as more fully defined hereinafter, the “Purchaser”), **VIRGINIA SAVES GREEN COMMUNITY PROGRAM, INC.**, a Virginia nonstock corporation (as more fully defined hereinafter, the “Borrower”), and the **ALBEMARLE COUNTY SCHOOL BOARD**, a body corporate of the Commonwealth of Virginia (as more fully defined hereinafter, the “Project Owner”).

W I T N E S S E T H:

WHEREAS, the Issuer is empowered by the Virginia Small Business Financing Act, Article 7, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended (the “Act”), to assist small businesses in the Commonwealth (as hereinafter defined), to promote and develop industrial development and to further the long-term economic development of the Commonwealth through the improvement of its tax base and the promotion of employment; and

WHEREAS, under the Act, the Issuer is authorized to lend the proceeds of bonds and notes to lenders for the purposes of facilitating loans by such lenders as permitted by the Act, to or with one or more persons engaged in, among other things, the sale of professional services, including any for-profit enterprise that, among other things, (a) has received \$10 million or less in annual gross income under generally accepted accounting principles for each of its last three fiscal years or lesser time period if it has been in existence less than three years, (b) has fewer than 250 employees or (c) has a net worth of \$2 million or less, and to pledge the revenues collected by the Issuer from such loans and any security therefor, and any other assets of the Issuer, to secure the payment of such bonds and notes; and

WHEREAS, at the request of the Borrower, the Issuer will issue and sell to the Purchaser, and the Purchaser proposes to purchase from the Issuer, the Virginia Small Business Financing Authority Taxable Qualified Energy Conservation Bond (Direct Pay) (VirginiaSAVES Green Community Program – Albemarle County Public Schools Project), Series 2017, in the principal amount of up to \$[7,900,000] (the “Bond”); and

WHEREAS, the proceeds of the sale of the Bond will be loaned by the Issuer to the Borrower and such loan will be evidenced by a promissory note from the Borrower to the Issuer (as more fully defined hereinafter, the “Borrower Note”); and

WHEREAS, such proceeds will be deposited into an Escrow Account (as hereinafter defined) established in accordance with the Financing Documents (as hereinafter defined); and

WHEREAS, the amount deposited into the Escrow Account shall be made available to the Project Owner for the purpose of providing funds to (a) implement the VirginiaSAVES Green Community Program (“VA SAVES”), which is a green community program established as a qualified conservation purpose under Section 54D(f)(1)(A)(ii) of the Code, and pursuant to which the Borrower will make available funds to the Project Owner for the purpose of acquiring,

developing, constructing, installing and equipping energy efficiency improvements (as more fully defined hereinafter, the “Project”), within the Commonwealth; and (b) pay certain fees and expenses incurred in connection with the issuance and sale of the Bond; and

WHEREAS, in exchange for the amount deposited in the Escrow Account, the energy efficiency improvements (as more fully defined hereinafter, the “Equipment”) to be financed pursuant to the Project will be sold by the Project Owner to the Borrower pursuant to the Deed of Sale (as hereinafter defined) and the Borrower, as lessor, will lease the Equipment back to the Project Owner, as the lessee, pursuant to the Financing Lease (as hereinafter defined); and

WHEREAS, the Rental Payments (as hereinafter defined) under the Financing Lease will be sufficient in timing and amount to pay the principal of and interest on the Bond, and the Borrower will assign its rights under the Financing Documents and to the Equipment (except for certain unassigned rights as more particularly described herein) to the Purchaser to secure the Bond; and

WHEREAS, the Bond will be delivered as security for the Project Owner’s obligation to pay the Rental Payments (as hereinafter defined) under the Financing Lease, and each of the repayment obligations of the Issuer and the Borrower related to the Bond and the Borrower Note, respectively, shall be limited to the amounts repaid by the Project Owner under the Financing Lease as such amounts are irrevocably assigned to the Purchaser, all as further described herein; and

WHEREAS, accordingly and simultaneously with the issuance of the Bond, the Issuer will assign its rights hereunder (except for certain unassigned rights as more particularly described herein) and under the Borrower Note to the Purchaser to secure the Bond; and

WHEREAS, the parties hereto understand that satisfaction of the Project Owner’s repayment obligations to the Purchaser pursuant to the terms of the Financing Documents will be deemed to be and constitute repayment of the corresponding obligations to the Purchaser under the Bond and, as assigned to the Purchaser by the Issuer, the Borrower Note; and

WHEREAS, the Issuer, the Borrower, the Project Owner and the Purchaser desire to set forth the terms and conditions with respect to such financing.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. In addition to other terms defined elsewhere in this Agreement, the following terms shall have the following meanings in this Agreement unless the context otherwise requires:

“Act” shall have the meaning set forth in the recitals.

“Administrator” shall mean CleanSource Capital, LLC, and its successors and assigns.

“Administrative Services Agreement” means the Administrative Services Agreement between the Administrator and the Issuer dated August 31, 2015, as modified, altered, amended or supplemented in accordance with the terms thereof.

“Agreement” shall mean this Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017, among the Issuer, the Purchaser, the Borrower and the Project Owner, including any amendments or supplements hereto.

“Approved Institutional Buyer” shall mean (a) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the “Securities Act”); (b) an “accredited investor” as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act; (c) an entity that is directly or indirectly wholly owned or controlled by the purchaser/holder representative (being a financial institution described in (a) above); (d) an entity all of the investors in which are described in (a), (b) or (c) above; or (e) a custodian or trustee for a party described in (a), (b) or (c) above.

“Bankruptcy Code” shall mean the United States Bankruptcy Code as in effect on the date hereof or as hereafter amended.

“Bond” shall mean the Virginia Small Business Financing Authority Taxable Qualified Energy Conservation Bond (Direct Pay) (Virginia SAVES Green Community Program – Albemarle County Public Schools Project), Series 2017 in the form of Exhibit A attached hereto, issued pursuant to this Agreement in the principal amount of \$[7,900,000], and dated the date of its issuance.

“Bond Counsel” shall mean McGuireWoods LLP, or any other firm nationally recognized on the subject of municipal bonds acceptable to the Holder.

“Borrower” shall mean Virginia SAVES Green Community Program, Inc., a Virginia nonstock corporation, and its successors and assigns.

“Borrower Note” shall mean the Promissory Note from the Borrower to the Issuer dated September [28], 2017, in the form of Exhibit B attached hereto.

“Borrower Note Assignment” shall mean the Assignment, as appended to the Borrower Note, by the Issuer of the Borrower Note to the Purchaser as security for the Bond.

“Borrower Representative” shall mean any officer of the Borrower and any one or more of the persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer, the Project Owner and the Holder containing the specimen signature of such person and signed on behalf of the Borrower by an officer of the Borrower.

“Business Day” shall mean any day on which banks in the Commonwealth are not by law authorized or required to remain closed.

“Closing Date” shall mean the initial date of delivery of and payment for the Bond, which is September [28], 2017.

“Closing Memorandum” shall mean that certain Closing Memorandum dated September [28], 2017, which provides directions for the disbursement of the proceeds of the sale of the Bond and other amounts contributed by the Project Owner.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings thereunder.

“Commonwealth” shall mean the Commonwealth of Virginia.

“Completion Date” shall mean, with respect to the Project, the date on which the Project Owner Representative delivers a completion certificate in the form of Exhibit C attached hereto to the Issuer, the Holder and the Borrower pursuant to Section 5.2.

“Custodian” shall mean U.S. Bank National Association.

“Custody Agreement” shall mean that certain Master Custody Agreement dated as of March 17, 2017, by and between the Administrator and the Custodian.

“Deed of Sale” shall mean the Deed of Sale dated as of September [28], 2017, conveying the Project’s Owner’s right, title and interest in the Equipment, now existing or hereafter acquired, to the Borrower, in order for the Borrower to lease the Equipment back to the Project Owner pursuant to the Financing Lease, substantially in the form attached hereto as Exhibit E.

“Default Rate” shall mean 300 basis points (3.00%) above the then applicable interest rate on the Bond; provided, however, that the Default Rate may not exceed the Maximum Rate.

“Direct Purchase Agreement” means that certain Direct Purchase Agreement dated September [15], 2017, by and among the Issuer, the Borrower, the Project Owner and the Purchaser.

“Energy Savings Contract” shall mean the [*Name of Agreement*] dated [_____], 2017, between Ameresco, Inc., and the Project Owner.

“Equipment” shall mean the Equipment as defined in the Financing Lease.

“Escrow Account” shall mean the account by that name created and maintained pursuant to the Escrow Agreement.

“Escrow Agent” means U.S. Bank National Association, as escrow agent.

“Escrow Agreement” shall mean that certain Escrow Agreement dated as of September [28], 2017, by and among the Escrow Agent, the Purchaser and the Project Owner, and as acknowledged by each of the Issuer and the Administrator, in substantially the form attached hereto as Exhibit H.

“Event of Default” shall mean any of the events set forth in Section 7.1.

“Extraordinary Event” shall have occurred if Section 54A, 54D or 6431 of the Code is modified, amended or interpreted in a manner pursuant to which the Project Owner’s direct pay subsidy payment for the Bond from the United States Treasury is reduced or eliminated.

“Financing Documents” shall mean, collectively, (i) this Agreement; (ii) the Bond; (iii) the Borrower Note; (iv) the Direct Purchase Agreement; (v) the Borrower Note Assignment; (vi) the Financing Lease; and (vii) the Escrow Agreement.

“Financing Lease” shall mean the Financing Lease dated as of September [28], 2017, between the Borrower, as lessor, and the Project Owner, as lessee, as modified, altered, amended or supplemented in accordance with the terms thereof, and substantially in the form attached hereto as Exhibit F.

“GAAP” shall mean generally accepted accounting principles, as in effect from time to time, consistently applied.

“Holder” shall mean the Purchaser or any future registered owner of the Bond as permitted hereunder.

“Issuance Costs” shall mean certain fees and expenses incurred in connection with the issuance and sale of the Bond, which are in an amount equal to two percent of the principal amount of the Bond.

“Issuer” shall mean the Virginia Small Business Financing Authority, a public body corporate and political subdivision of the Commonwealth, its successors and assigns.

“Issuer Representative” shall mean the Executive Director or any member of the Board of Directors of the Issuer designated to act on behalf of the Issuer by written certificate furnished to the Holder, the Borrower and the Project Owner containing the specimen signatures of such persons and signed on behalf of the Issuer by a member of its Board of Directors.

“Maximum Rate” shall mean a per annum interest rate equal to maximum rate permitted by law for the Bond.

“Paying Agent” means U.S. Bank National Association and its successors and assigns.

“Paying Agent Agreement” means the Paying Agent Agreement dated September [28], 2017, among the Issuer, the Borrower, the Project Owner, and the Paying Agent, as modified, altered, amended or supplemented in accordance with the terms thereof and in substantially in the form attached hereto as Exhibit G.

“Payment of the Bond” shall mean payment in full of the Bond and the making in full of all other payments due and payable pursuant to this Agreement and the Financing Lease at the time of such payment.

“Person” shall mean an individual, partnership, corporation, trust, unincorporated organization, association, joint venture, joint-stock company, or a government or agency or political subdivision thereof.

“Principal Amount” shall mean the aggregate outstanding principal amount of the Bond.

“Program Fee” shall mean the fee for the VirginiaSAVES Green Community Program administered by the Administrator pursuant to the Administrative Services Agreement, which is in an amount equal to two percent of the principal amount of the Bond.

“Project” shall mean the acquisition, development, construction, installation and equipping by the Project Owner of the Equipment, as more fully described in the Energy Savings Contract and Exhibit A of the Financing Lease, as well as the use of VA SAVES for the funding of the same, and expenses related thereto, including but not limited to, the Program Fee, and the payment of the Issuance Costs.

“Project Costs” shall mean the costs of the Project, which includes (i) the costs set forth in the Financing Lease, (ii) the Program Fee, (iii) the Issuance Costs and (iii) other costs associated with the issuance of the Bond which are contributed by the Project Owner as set forth under the Closing Memorandum.

“Project Owner” shall mean Albemarle County School Board, a body corporate of the Commonwealth, and its successors and assigns.

“Project Owner Representative” shall mean (i) the Superintendent or Interim Superintendent of the School Board, (ii) the chair or vice chair of the School Board, and (iii) any other official or employee of the School Board authorized by resolution of the School Board to perform the act or sign the document in question.

“Purchaser” shall mean Banc of America Leasing & Capital, LLC, or any successor, as the initial Holder of the Bond.

“Qualified Purchaser” means a “qualified purchaser” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

“Rental Payments” shall mean the rental payments due to the Borrower from the Project Owner as set forth in Section 6.1 and Schedule 1.1 of the Financing Lease

“Subsidy Payments” shall mean the lesser of (a) the amount of interest payable on the Bond or (b) 70% of the amount of interest which would have been payable under the Bond on the interest payment date for such Bond if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Code.

“Tax Agreement” shall mean the Federal Tax Certificate and Compliance Agreement, dated as of the date hereof, between the Issuer, the Borrower and the Project Owner.

“UCC” shall mean the Uniform Commercial Code, as enacted in the Commonwealth. Any UCC Section reference herein shall be deemed to be the analogous provision of the Uniform Commercial Code, as enacted in the Commonwealth.

Section 1.2. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.

(b) The table of contents, captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

(c) All references herein to particular Articles or Sections are references to Articles or Sections of this Agreement unless some other reference is established.

(d) All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

(e) All references herein to the Code or any particular provision or section thereof shall be deemed to refer to any successor, or successor provision or section, thereof, as the case may be.

**ARTICLE II
REPRESENTATIONS AND WARRANTIES**

Section 2.1. Representations and Warranties of the Issuer. The Issuer hereby makes the following representations and warranties as the basis for its undertakings hereunder:

(a) The Issuer is a public body corporate and political subdivision of the Commonwealth, and existing under the laws of the Commonwealth. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by the Act and to carry out its obligations thereunder. The Issuer has duly adopted a resolution authorizing the Executive Director to execute and deliver this Agreement, the Direct Purchase Agreement, the Bond, the Borrower Note Assignment and such other documents and certificates executed and delivered by it in connection therewith.

(b) The Bond will be issued under and secured by this Agreement and the Financing Lease, pursuant to which the revenues derived by the Issuer hereunder and the Issuer's rights under this Agreement will, subject to certain unassigned rights as more particularly described herein, be pledged and assigned to the Holder as security for payment of the principal of and interest on the Bond.

(c) The Issuer has not pledged and will not pledge its interest in this Agreement or the Financing Lease for any purpose other than as provided in this Agreement. The Bond constitutes the only bond or other obligation of the Issuer in any manner payable from the revenues to be derived from this Agreement and the Financing Lease, and except for the Bond, no bonds or other obligations have been issued by the Issuer on the basis of this Agreement or the Financing Lease.

(d) All public hearings by, authorizations, consents, and approvals of, and registrations or filings with, governmental bodies or agencies required to be held, obtained or made by the Issuer for the delivery, issuance and sale by the Issuer of the Bond and the execution and delivery by the

Issuer of this Agreement, or in connection with the carrying out by the Issuer of the obligations hereunder, have been held, obtained or made and are in full force and effect.

(e) The Issuer has found and determined and hereby finds and determines that all requirements of the Act with respect to the issuance of the Bond and the execution and delivery of this Agreement have been complied with and that issuing the Bond and entering into this Agreement will be in furtherance of the purposes of the Act.

(f) No director, member, officer or other official of the Issuer has any interest whatsoever in the Borrower or the Project Owner or in the transactions contemplated by this Agreement.

(g) The Issuer makes no representation or warranty concerning the suitability of the Project for the purpose for which it is being undertaken by the Borrower and the Project Owner. The Issuer has not made any independent investigation as to the feasibility or creditworthiness of the Borrower or the Project Owner. Any bond purchaser, assignee of this Agreement or any other party with any interest in this transaction shall make its own independent investigation as to the creditworthiness and feasibility of the Project, independent of any representation or warranties of the Issuer.

(h) The execution and delivery of, and the performance of the obligations and agreements of the Issuer set forth in this Agreement, the Direct Purchase Agreement, the Bond, and such other agreements to which the Issuer is a party executed and delivered in connection therewith are within the power and authority of the Issuer and have been duly authorized by the Issuer and will not contravene any provision of any judgment, order or decree to which the Issuer is subject or contravene or, to its knowledge, constitute a default under, any contract, agreement or other instrument to which the Issuer is a party.

(i) The Issuer is not in violation of the Act or, to its knowledge, any existing law, rule or regulation applicable to it which would affect its existence or the matters referred to in the preceding subsections (a) through (h).

(j) All actions of the Issuer with respect to the issuance of the Bond occurred at meetings held after notice given in accordance with the Issuer's procedures and applicable law, which were open to the public and at which quorums were present and acting throughout, and said actions appear of public record in the books and files of the Issuer.

(k) To the best knowledge of the Issuer, there is no default of the Issuer in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of this Agreement or the ability of the Issuer to perform its obligations hereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes, or with the lapse of time or the giving of notice or both would constitute, such a default.

(l) To the best of its knowledge, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or threatened against the Issuer with respect to (i) the organization and existence of the Issuer, (ii) its authority to execute or deliver the

Bond, the Direct Purchase Agreement or this Agreement or to perform its obligations hereunder, (iii) the validity or enforceability of any of such instruments or the transactions contemplated hereby, (iv) the title of any officer of the Issuer who executed such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Issuer. No such authority or proceedings of the Issuer have been repealed, revoked, rescinded or amended and all are in full force and effect.

(m) The assignment to the Purchaser by the Issuer of the Borrower Note pursuant to the Borrower Note Assignment is an authorized, valid and irrevocable assignment by the Issuer.

(n) All of the representations, warranties and covenants of the Issuer contained in the Tax Agreement are hereby reaffirmed and incorporated herein by this reference.

All of the above representations and warranties shall survive the making of this Agreement and the issuance of the Bond.

Section 2.2. Representations and Warranties of the Borrower. The Borrower makes the following representations and warranties as the basis for its undertakings hereunder:

(a) The Borrower is a nonstock corporation duly organized, validly existing and in good standing under the laws of the Commonwealth.

(b) The Borrower has duly adopted a resolution authorizing the President or the Secretary of the Borrower to execute and deliver this Agreement, the Financing Lease, the Direct Purchase Agreement, the Borrower Note and such other documents executed and delivered by it in connection therewith.

(c) The Borrower has the power to enter into this Agreement, the Financing Lease, the Direct Purchase Agreement, the Borrower Note and such other documents executed by it in connection therewith, and the transactions contemplated hereby, and to perform its obligations hereunder, and by proper action has duly authorized the execution and delivery of this Agreement, the Financing Lease, the Direct Purchase Agreement, the Borrower Note and such other documents executed and delivered by it in connection therewith, and the performance of its obligations hereunder and thereunder.

(d) When executed and delivered by the other parties hereto, the Financing Documents to which the Borrower is a party will be valid and binding obligations and agreements of the Borrower, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting generally the enforcement of creditors' rights and by such principles of equity as may generally affect the availability of equitable remedies.

(e) There is no litigation at law or in equity or any proceeding before any governmental agency or arbitral body involving the Borrower pending or, to the knowledge of the Borrower after reasonable investigation, threatened which has not been disclosed to the Purchaser, the Project Owner and the Issuer, in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower, or that would materially affect its authority to do business, the validity of this Agreement or the performance of its obligations hereunder.

(f) The Borrower is not in default (i) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, or (ii) pursuant to any instrument under and subject to which any material indebtedness has been incurred. No event has occurred and is continuing under the provisions of any such document, agreement, order, decree, regulation, demand or instrument that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(g) The execution and delivery of this Agreement, the Financing Lease, the Direct Purchase Agreement, the Borrower Note and such other documents executed and delivered by it in connection therewith and the performance by the Borrower of its obligations hereunder and thereunder do not and will not conflict with, or constitute a breach or result in a violation of, the articles of incorporation or bylaws of the Borrower, any indenture, mortgage, deed of trust, loan agreement, lease, agreement or other instrument to which the Borrower is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or any of its property, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, or the financial condition, assets, properties or operations of the Borrower.

(h) The Borrower has obtained all consents, approvals, authorizations and orders of any governmental or regulatory authority and of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness or of other provider of credit or liquidity to the Borrower, that (i) are required to be obtained by the Borrower as a condition precedent to the execution and delivery of this Agreement, (ii) are required for the performance by the Borrower of its obligations hereunder or in connection with the Tax Agreement or (iii) are required to be obtained by Borrower under any order, regulation, law or rule applicable to Borrower.

(i) All of the representations, warranties and covenants of the Borrower contained in the Tax Agreement are hereby reaffirmed and incorporated herein by this reference.

All of the above representations and warranties shall survive the execution and delivery of this Agreement and the issuance of the Bond and the Borrower Note.

Section 2.3. Representations and Warranties of the Project Owner. The Project Owner hereby reaffirms all of the representations and warranties made in Section 2.2 of the Financing Lease, which are incorporated herein by reference. All of such representations and warranties shall survive the execution and delivery of this Agreement and the issuance of the Bond.

ARTICLE III ISSUANCE OF THE BOND

Section 3.1. Sale and Purchase of Bond. The Issuer shall issue the Bond in substantially the form attached as Exhibit A hereto. In reliance upon the representations, warranties and agreements herein contained, and subject to the conditions herein set forth, at the Closing Time (hereinafter defined), (a) each of the Purchaser, the Issuer, the Borrower and the

Project Owner agrees to enter into this Agreement; (b) the Issuer agrees to issue and to sell the Bond to the Purchaser for a purchase price of \$[7,900,000], and the Purchaser agrees to purchase the Bond from the Issuer; (c) the Issuer agrees to lend the proceeds of the Bond to the Borrower, and the Borrower agrees to issue and deliver the Borrower Note to the Issuer, which the Issuer shall assign and deliver to the Purchaser; (d) the Borrower agrees to lend the proceeds of the sale of the Bond that it receives from the Issuer to the Project Owner by directing, with the consent of the Project Owner, (i) the deposit of a portion of the proceeds with the Escrow Agent and the disbursement of such amounts for the payment of the Program Fee, the Issuance Costs and any remaining portion of the costs and expenses of issuing the Bond contributed by the Project Owner on the Closing Date, and (ii) after the application of subsection (i), the remaining proceeds to be deposited in the Escrow Account and made available to the Project Owner to finance the Project pursuant to the terms of the Escrow Agreement and the Financing Lease; (e) the Project Owner shall convey its interest in the Equipment to the Borrower pursuant to the Deed of Sale; (f) the Borrower and the Project Owner agree to enter into the Financing Lease, by which the Project Owner agrees to sell the Equipment to the Borrower and the Borrower will lease the Equipment back to the Project Owner; (g) the Purchaser acknowledges that the Financing Lease, the Rental Payments thereunder, the funds in the Escrow Account, the Borrower Note, and the Borrower's interest in the Equipment shall be the security and source of payment for the Issuer's limited obligations under the Bond and this Agreement and shall accept the Issuer's assignment of substantially all of the Issuer's rights under the Borrower Note and the Financing Lease, including but not limited to, the receipt of the Rental Payments under the Financing Lease; and (h) upon the issuance of the Bond, the Purchaser shall execute an investor letter, substantially in the form attached hereto as Exhibit D.

Payment for the Bond shall be made at or before 12:00 Noon, Eastern time, on September [28], 2017, at the offices of Bond Counsel or at such other time, date and place as may be mutually agreed upon by the parties hereto (the "Closing Time").

Section 3.2. Terms of the Bond.

(a) The Bond shall be dated the Closing Date, shall bear interest on the outstanding principal amount thereof, payable on [August 15] of each year, commencing [August 15], 2018, at the rate of [_____] % per annum, subject to application of the Default Rate. The principal amount of the Bond shall be payable in annual installments, subject to prior redemption, on [August 15] in the years and in the amounts set forth in Schedule I to the Bond.

(b) Interest on the Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of, and premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America.

(c) The Bond shall be in an authorized denomination of \$[7,900,000] and the initial registered Holder of the Bond shall be the Purchaser.

Section 3.3. The Bond to be Issued in Registered Form; Registration and Transfer.

(a) The Bond shall be issuable in typewritten form as a fully registered Bond without coupons and without CUSIP numbers. The Bond shall not be DTC book-entry eligible and shall

not be rated. The Bond shall be substantially in the form attached hereto as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Agreement, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirements of law with respect thereto.

(b) The Paying Agent is appointed as the registrar for the Bond and as such shall keep books for the registration and for the registration of transfer of the Bond as provided in the Paying Agent Agreement.

Section 3.4. Purchase for Own Account.

(a) The Purchaser shall deliver on the Closing Date the Investor Letter in the form attached hereto as Exhibit D and the addressees thereof may rely on the representations, warranties and covenants contained therein. In determining whether to purchase the Bond, the Purchaser acknowledges that the Issuer has not supplied, nor has it been requested to supply, the Purchaser with any information (including financial information) relating to the Project Owner.

(b) The Purchaser reserves the right at all times to control the disposition of its assets, including the Bond, and reserves the right to sell, assign and transfer the Bond (or fractional interests in the Bond) to Approved Institutional Buyers and/or Qualified Purchasers in accordance with this Agreement and the Investor Letter as set forth in Exhibit D. The provisions of this paragraph imposing limitations on transfers or assignments of the Bond or any interests therein shall be binding on any subsequent Holder of the Bond.

(c) Except as otherwise provided herein, Purchaser's right, title and interest in and to the Bond, the Financing Documents and the Equipment may be sold, assigned and reassigned in whole or in part to one or more assignees or subassignees by the Purchaser or such subsequent Holder, without the necessity of obtaining the consent of the Issuer; provided, that any such assignment, transfer or conveyance to a trustee for the benefit of owners of certificates of participation shall be made in a manner that conforms to any applicable Commonwealth law. Nothing in this Section 3.4 shall be construed, however, to prevent the Purchaser or a subsequent Holder from executing any such assignment, transfer or conveyance that involves funding through the use of certificates of participation within the meaning of applicable Commonwealth law, including any such assignment, transfer or conveyance as part of a multiple asset pool to a partnership or trust; provided such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represents that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (ii) such purchaser understands that neither this Agreement, the Bond nor certificates will be registered under the Securities Act of 1933, (iii) such purchaser is an Approved Institutional Buyer or a Qualified Purchaser, and (iv) it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933; provided further, that in any event, neither the Issuer, the Borrower nor the Project Owner shall be required to make payments on the Bond, to send notices or to otherwise deal with respect to matters arising under this Agreement and the Bond with or to more than one individual or entity. Unless to an affiliate controlling, controlled by or under common control with the Purchaser, no assignment, transfer or conveyance

permitted by this Section 3.4 shall be effective until the Issuer, the Borrower, the Project Owner and the Paying Agent shall have received a written notice of sale or assignment that discloses the name and address of each such assignee; provided, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests with respect to the Bond and this Agreement, it shall thereafter be sufficient that the Issuer, the Borrower, the Project Owner and the Paying Agent receive notice of the name and address of the bank or trust company as trustee or paying agent.

(d) Notwithstanding anything herein to the contrary, the Purchaser and any subsequent Holder of the Bond may at any time and from time to time (i) enter into participation agreements with one or more banks and other financial institutions with respect to the Bond and the other Financing Documents, and/or (ii) pledge all or any portion of its rights under the Bond and the other Financing Documents to any Federal Reserve Bank, provided, that no such pledge or the enforcement thereof shall release the Purchaser or any such other Holder from its obligations hereunder.

(e) It is specifically understood and agreed that the Issuer and the Borrower make no representation, covenant or agreement as to the financial position or business condition of the Project Owner and do not represent or warrant as to any statements, materials, representations or certifications furnished by the Project Owner in connection with the sale of the Bond, or as to the correctness, completeness or accuracy thereof.

(f) The Project Owner represents that neither this Agreement nor any information (financial or otherwise) furnished by the Project Owner in connection with the negotiation of the sale of the Bond contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained therein not misleading in any material respect. There is no fact that the Project Owner has not disclosed in writing to the Purchaser that will have a material adverse effect on the properties or financial condition of the Project Owner, or the ability of the Project Owner to perform its obligations under this Agreement and the Financing Lease.

Section 3.5. Prepayment of the Bond.

(a) Under Section 6.2(a) of the Financing Lease the Project Owner has the option to prepay the Financing Lease in whole, but not in part, and to exercise its purchase option by providing funds to prepay the Bond in whole but not in part, on any payment date of the Bond, at a redemption price of 102% of the outstanding principal balance of the Bond, as well as any interest accrued to the prepayment date and other sums due hereunder to the Holder.

(b) Upon any Extraordinary Event, the Issuer, solely at the written direction of the Project Owner and the Purchaser within 90 days of such Extraordinary Event, shall prepay the Bond, in whole, at a prepayment price equal to the Principal Amount of the Bond plus interest accrued to the prepayment date (plus the prepayment premium due under Section 3.5(a) above, if applicable), together with any other sums due hereunder.

(c) If on the earlier of (i) the Completion Date or (ii) the date that is three years after the Closing Date, it is determined that the Borrower has expended less than 100 percent of the “available project proceeds” (as defined in Section 54A(e)(4) of the Code) of the Bond for one or

more “qualified conservation purposes” (as defined in Section 54D(f)(1) of the Code), the Issuer shall, at the direction of the Project Owner, within 90 days after such determination, redeem the nonqualified portion of the Bond solely from the funds remaining in the Escrow Account and from the other funds provided by the Project Owner as provided in Section 6.1(b) of the Financing Lease. The “nonqualified portion of the Bond” allocable to the unspent available project proceeds shall be determined in the same manner as under Section 142 of the Code. The redemption price of the portion of the Bond to be redeemed shall be equal to 100 percent of the principal amount of the nonqualified portion of the Bond, as well as any interest accrued to the redemption date and other sums due hereunder to the Holder; provided, however, that if the amount of the nonqualified portion of the Bond exceeds 10 percent of the original principal amount of the Bond, then the redemption price shall include a premium of 2 percent of the amount of the nonqualified portion in excess of 10 percent. The Project Owner shall provide 15 days prior written notice to the Holder of redemption under this subsection (c); provided that failure to provide such notice shall not prevent consummation of such redemption, if such redemption is necessary to preserve the status of the Bond as a “qualified energy conservation bond” under the Code.

(d) To effect the optional prepayment provided in subsection (a), the Project Owner shall give written notice to the Issuer, the Borrower and the Holder which shall specify therein the date of the intended prepayment of the Bond, which shall not be less than 30 nor more than 90 days from the date the notice is mailed. When given, such notice shall be irrevocable by the Project Owner.

Section 3.6. Conditions Precedent To Delivery of Bond. The Issuer shall issue and sell the Bond, and the Purchaser shall accept delivery of the Bond, only upon delivery to the Issuer and the Purchaser, in form and substance satisfactory to each of them, of the following:

- (a) Original executed counterparts of the Financing Documents;
- (b) Certified copies of the resolutions of the Project Owner relating to the Financing Documents, if any;
- (c) Evidence of the due authorization, execution and delivery of the Financing Documents by the parties thereto and certificates covering any litigation and compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;
- (d) Evidence of the completion and arrangements for filing of Internal Revenue Service Form 8038-TC with respect to the issuance of the Bond, together with a certificate of an authorized officer of the Borrower with respect to the information contained therein;
- (e) A certificate of the Borrower having as attachments true and correct copies of its articles of incorporation, bylaws and a Certificate of Good Standing issued by the Secretary of the Commonwealth;
- (f) A certificate or certificates of the appropriate officials of the Project Owner dated the Closing Date as to the matters set forth in Section 2.2 of the Financing Lease, including appropriate certifications regarding the Financing Documents and such other matters as the Issuer and the Purchaser may reasonably require;

(g) The Purchaser shall have received a copy, duly certified by the Board of Directors of the Issuer, of the resolution of the Issuer approving the issuance of the Bond;

(h) A certificate of the Project Owner Representative to the effect that the Lease Proceeds Amount (as defined in the Financing Lease) and funds available from the other sources specified in the budget for the Project will be sufficient to pay the estimated total Project Costs, and specifying the date the Project Owner is expected to complete the acquisition and installation of the Equipment;

(i) Evidence that the Project Owner is in compliance with the insurance and surety bond provisions set forth in Sections 8.1 and 8.2 of the Financing Lease as of the Closing Date;

(j) Evidence that the Project Owner has performed and satisfied all of the terms and conditions contained in this Agreement and the Financing Lease to be performed and satisfied by them as of the Closing Date;

(k) An opinion of counsel to the Issuer;

(l) An opinion of Bond Counsel;

(m) An opinion of Bond Counsel addressed to the Issuer regarding the tax status of the Bond as a “qualified energy conservation bond” as defined under Sections 54A and 54D of the Code;

(n) An opinion of special counsel to the Borrower;

(o) An opinion of counsel to Project Owner;

(p) Insurance certificates as required in Section 8.1 of the Financing Lease;

(q) The Surety Bonds, including co-obligee riders, required by Section 8.2 of the Financing Lease;

(r) The Purchaser shall have paid in full and the Issuer shall have accepted the purchase price for the Bond on the Closing Date;

(s) The Purchaser shall have received the duly executed Borrower Note, affixed with an assignment thereto duly executed in favor of Purchaser, and Project Owner Note;

(t) Evidence satisfactory to the Purchaser that arrangements have been made to pay or reimburse the Purchaser for all out-of-pocket expenses incurred by the Purchaser in connection with this Agreement and the transactions contemplated hereby; and

(u) Such other documentation, certificates and opinions as may be reasonably required by the Purchaser, the Issuer or Bond Counsel, including, but not limited to, all documents, certificates and opinions required under the Financing Documents.

Section 3.7. Election under Section 6431 of the Code; Required Filings. The Issuer hereby irrevocably elects to apply Section 6431(f) of the Code to the Bond and this Agreement. The Issuer authorizes (a) the Administrator, pursuant to the Administrative Services Agreement, to act on its behalf and file the IRS Forms 8038-CP and (b) the Custodian to act as custodian pursuant to the Custody Agreement to receive the credit payable under Section 6431(f) of the Code for the benefit of the Project Owner.

Section 3.8. Terms of the Borrower Note. To evidence its obligations to repay the Bond, the Borrower shall deliver the Borrower Note to the Issuer for assignment and delivery to the Purchaser as security for the Payment of the Bond. The Issuer hereby assigns the Borrower Note to the Purchaser without recourse, and will deliver the original Borrower Note, together with the assignment affixed thereto in favor of Purchaser at or prior to Closing. All provisions of this Agreement regarding the Bond shall govern the Borrower Note; provided, however, that all parties acknowledge that Section 6431(f) of the Code shall not apply to interest on the Borrower Note.

ARTICLE IV LOAN OF PROCEEDS TO BORROWER AND PROJECT OWNER

Section 4.1. Loans by the Issuer and the Borrower; Repayment of Loans.

(a) The Issuer agrees, upon the terms and conditions of this Agreement, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bond.

(b) Upon receiving the loan described in subsection (a) above, the Borrower shall lend the proceeds of the sale of the Bond received by the Borrower from the Issuer to the Project Owner. Such loan shall be made by directing the disbursement of the Projects Costs in accordance with the Financing Documents and the Closing Memorandum, and as more particularly set forth herein under Section 5.1.

Section 4.2. Amounts Payable.

(a) Subject to the limitation set forth in Section 4.3 below, the Borrower shall make or cause to be made all payments required of the Issuer under the Bond as and when the same become due and shall promptly pay or cause to be paid to the Holder all other amounts necessary to pay principal of and interest on the Bond, including any other payments required by the Bond, as and when the same become due, on the dates and in the amounts set forth in the Bond. Pursuant to the Financing Lease and the Paying Agent Agreement, the Rental Payments set forth in Schedule 1.1 of the Financing Lease are to be made by the Project Owner to the Paying Agent thirty (30) days before the corresponding debt service payment on the Bond so that the debt service payments on the Bond shall be made on the date due. Upon the expiration of the thirty (30) day period, or sooner in the event any of the Project Owner's Rental Payments were not timely made, the Paying Agent shall transfer all payments received for the Bond to the Holder on the Issuer's behalf. All such payments required to be made by the Borrower as provided in this subsection shall be made solely from the Rental Payments received from the Project Owner pursuant to the Financing Lease. The Borrower hereby assigns receipt of the Rental Payments from the Project Owner to the Holder, except for those amounts due under Sections 6.1(c), 6.1(d), 6.1(e) and 11.8 of the Financing Lease (with respect to Section 6.1(d), only the late payment penalty attributed to the Borrower and with

respect to Section 6.1(e), only to those costs and expenses of the Borrower and not to those costs and expenses of the Purchaser or the Holder), which are payable directly to the Borrower. As a result, the Rental Payments shall be made directly to the Paying Agent as a credit to the amounts due under the Bond. Any amount at any time paid to the Holder as the payment of principal of or interest on the Bond as the same become due shall not be contingent upon receipt of the Subsidy Payment and shall be credited against (i) the Borrower's obligation hereunder and under the Borrower Note as of the date such obligation is due and (ii) the Project Owner's obligation hereunder and under the Financing Lease as of the date such obligation is due (but subject in any case to collection of any instrument, draft, check or order for payment received by the Holder). If such amount should be sufficient to pay (i) all amounts owed (A) to the Issuer hereunder and (B) to the Borrower hereunder, and (ii), at the times required, the principal of and interest on the Bond then remaining unpaid and accrued and to accrue through final Payment of the Bond, neither the Borrower nor the Project Owner shall be obligated to make any further payments hereunder or under the Bond.

(b) The Project Owner shall make or cause to be made all payments required of the Issuer under the Bond as and when the same become due and shall promptly pay or cause to be paid to the Holder all other amounts necessary to pay principal of and interest on the Bond, including any other payments required by the Bond, as and when the same become due, on the dates and in the amounts set forth in the Bond. Notwithstanding anything contained herein to the contrary, all payments required to be made by the Project Owner as provided in the preceding sentence shall be deemed made when the Project Owner makes its Rental Payments to the Borrower under the Financing Lease in amounts equal to the corresponding amounts due under the Bond.

(c) The Project Owner shall pay or cause to be paid when due and payable the reasonable fees and expenses of the Issuer and its counsel related to or resulting from the issuance of the Bond, including, without limitation, the reasonable fees and expenses of the Issuer and its counsel with respect to any Internal Revenue Service audit of the Bond or the use of the proceeds thereof or any enforcement action of the Securities and Exchange Commission relating to the Bond.

Section 4.3. Limited Obligation. The obligation of the Borrower to make payments as provided in Section 4.2 herein is not a general obligation but a limited obligation and such amounts from the Borrower are payable solely from payments received or deemed received from the Project Owner pursuant to this Agreement and the Financing Lease.

Section 4.4. Assignment by Issuer and Borrower to the Purchaser.

(a) In order to provide security for the payment of principal of and interest on the Bond, the Issuer hereby pledges, assigns, transfers and sets over to the Purchaser and its successors and assigns and any subsequent Holder of the Bond, and hereby grants to Purchaser and its successors and assigns and any subsequent Holder of the Bond, a security interest in all of the Issuer's right, title and interest (including beneficial interest) in and to this Agreement, the Escrow Agreement, funds in the Escrow Account, the Bond, the Borrower Note (together with an assignment thereto), including, but not limited to, all payments of principal and interest due and to become due from or on behalf of the Borrower or the Project Owner under this Agreement, whether made at their

respective due dates or as prepayments permitted or required by this Agreement, together with full power and authority, in the name of the Issuer or otherwise, to demand, receive, enforce, collect or receipt for any or all of the foregoing, to endorse or execute any checks or other instruments or orders, to file any claims and to take any action which the Holder may deem necessary or advisable in connection therewith, and the Issuer hereby irrevocably appoints the Holder attorney-in-fact of the Issuer for such purposes, which appointment is coupled with an interest and is irrevocable; provided, however, that the Issuer shall continue to have all the rights, together with the Holder, contained in the following sections of this Agreement:

- (i) Section 3.5 (pertaining to the Issuer's right to notice of prepayments);
- (ii) Section 7.2 of the Financing Lease (pertaining to the Issuer's right of access to the Project and to certain records);
- (iii) Article VIII (pertaining to limitations on the liability of the Issuer and its members, officers, employees, etc.);
- (iv) Section 9.3 (pertaining to certifications of no default); and
- (v) Section 9.4 (pertaining to the Issuer's right to receive notices).

(b) In order to provide security for the payment of principal of and interest on the Bond, the Borrower hereby pledges, assigns, transfers and sets over to Purchaser and its successors and assigns and any subsequent Holder of the Bond, and hereby, grants and delivers to the Purchaser and its successors and assigns and any subsequent Holder of the Bond, a security interest in all of the Issuer's right, title and interest (including beneficial interest) in and to this Agreement, the Financing Lease, the Escrow Agreement, funds in the Escrow Account, and the Borrower's interest in the Equipment, including, but not limited to, all Rental Payments due and to become due from or on behalf of the Project Owner to the Paying Agent pursuant to the Financing Lease and the Paying Agent Agreement, thirty (30) days before any corresponding debt service payments on the Bond, whether made at their respective due dates or as prepayments permitted or required by this Agreement, together with full power and authority, in its own name or in the name of the Borrower or otherwise, to demand, receive, enforce, collect or receipt for any or all of the foregoing, to endorse or execute any checks or other instruments or orders, to file any claims and to take any action which the Holder may deem necessary or advisable in connection therewith, and the Borrower hereby irrevocably appoints the Holder as attorney-in-fact of the Borrower for such purposes, which appointment is coupled with an interest and is irrevocable; provided, however, that the Borrower shall continue to have all the rights, together with the Holder, contained in the following sections of this Agreement or the Financing Lease:

- (i) Section 3.5 (pertaining to the Borrower's right to notice of prepayments);
- (ii) Section 7.2 of the Financing Lease (pertaining to the Borrower's right of access to the Project and to certain records);
- (iii) Section 9.3 (pertaining to certifications of no default); and
- (iv) Section 9.4 (pertaining to the Borrower's right to receive notices).

(c) The Purchaser or any subsequent Holder may take or release other security, may release any party primarily or secondarily liable for any indebtedness secured hereby, may grant extensions, renewals or indulgences with respect to such indebtedness, and may apply any other security therefor held by it to the satisfaction of such indebtedness without prejudice to any of its rights hereunder. Nothing herein contained and no act done or omitted by the Holder pursuant to the powers and rights granted it herein shall be deemed to be a waiver by the Holder of its rights and remedies under the Bond or this Agreement or the Financing Lease. The right of the Holder to collect such indebtedness and to enforce any other security therefor held by it may be exercised by the Holder either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

(d) Neither the assignment of the Issuer's or Borrower's rights hereunder nor any action or inaction on the part of the Purchaser or any subsequent Holder shall, without its written consent, constitute an assumption on its part of any obligation of any other person under this Agreement or the Financing Lease, nor shall the Purchaser or any subsequent Holder have any obligation to make any payment to be made by the Issuer hereunder or under the Bond, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which have been assigned to the Purchaser or any subsequent Holder or to which it may be entitled under this assignment at any time or times. No action or inaction on the part of the Issuer shall adversely affect or limit in any way the rights of the Purchaser or any subsequent Holder under this assignment or under this Agreement.

(e) The Holder shall notify the Issuer and the Borrower of any nonpayment by the Project Owner under the Financing Lease in order for the Issuer and the Borrower to perform their respective obligations hereunder.

Except as set forth above, the Issuer agrees that it will not sell, assign, transfer or convey any of its interest in this Agreement.

Section 4.5. Payments Assigned. If no Event of Default shall have occurred, the Borrower, the Project Owner and the Issuer agree that all funds assigned hereunder shall be paid and applied as follows:

(a) each payment to be made pursuant to the Bond shall be paid by or on behalf of the Issuer solely from the Rental Payments received by the Borrower under the Financing Lease and any such Rental Payments shall be paid by the Project Owner on or before the due date of such payment under the Financing Lease (which shall be thirty (30) days prior to the payments due under the Bond) directly, for the benefit of the Holder, to the Paying Agent, who shall transfer any such amounts received to the Holder in accordance with the terms of the Paying Agent Agreement;

(b) all amounts prepaid by or on behalf of the Borrower or the Project Owner pursuant to Section 3.5 hereof shall be paid directly to the Paying Agent, for the benefit of the Holder, and applied by the Paying Agent, pursuant to the Paying Agent Agreement, to the prepayment of the Bond as provided in this Agreement, by payment to the Holder; and

(c) all other funds assigned hereunder shall be applied as provided in this Agreement and the Financing Lease.

If any Event of Default shall have occurred, all Rental Payments and other funds payable by the Project Owner under the Financing Lease and this Agreement shall be paid directly to the Holder, including, but not limited to, interest at the Default Rate and late payment fees; provided that amounts due to the Borrower under Sections 6.1(c), 6.1(d), 6.1(e) and 11.8 of the Financing Lease (with respect to Section 6.1(d), only the late payment penalty attributed to the Borrower and with respect to Section 6.1(e), only to those costs and expenses of the Borrower and not the costs and expenses of the Purchaser or the Holder), which will be paid directly to the Borrower.

Amounts received from exercising remedies under Article VII of this Agreement or the Financing Lease with respect to the security interest in the Borrower's interest in the Equipment shall be payable to the Holder and shall be applied in the manner specified in Section 7.3 of this Agreement.

ARTICLE V BOND PROCEEDS

Section 5.1. Advance of Bond Proceeds. In accordance with the Financing Documents and as further evidenced by the Closing Memorandum, the full amount of the proceeds from the sale of the Bond and other amounts contributed by the Project Owner, will be delivered to the Escrow Agent on the Closing Date and (i) disbursed by the Escrow Agent on the Closing Date, as directed by the Borrower, with the consent of the Project Owner, for the payment of the Program Fee, the Issuance Costs and any remaining portion of the costs and expenses of issuing the Bond, and (ii) after the application of subsection (i), the remaining proceeds to be deposited into the Escrow Account on the Closing Date, to be disbursed from time to time to pay the remaining Project Costs.

Section 5.2. Establishment of Completion Date and Certificate as to Completion. The Completion Date shall be the date on which the Project Owner Representative signs and delivers to the Issuer, the Borrower and the Holder a certificate, in the form of Exhibit C hereto, stating that (a) the Project has been completed to the satisfaction of the Project Owner, and (b) all labor, services, materials and supplies used in the construction and equipping of the Project to be paid from the proceeds of the Bond have been paid for. The final requisition from the Escrow Account by the Project Owner shall be accompanied by such executed completion certificate.

Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 5.3. No Warranty of Condition or Suitability. The Issuer makes no representation or warranty, either express or implied, and offers no assurance that the proceeds of the Bond will be sufficient to pay in full the costs of the Project or that the Project is or will be suitable for its intended purpose. In the event of such a shortfall, pursuant to Section 4.5 of the Financing Lease, the Project Owner shall be obligated to pay from legally available funds such additional costs to complete the Project. **THE ISSUER, THE PURCHASER AND THE BORROWER MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, WORKMANSHIP, OR THE ACTUAL OR DESIGNED CAPACITY OF ANY PART OF THE PROJECT OR ITS**

SUITABILITY FOR THE PROJECT OWNER'S PURPOSES, OR FOR THE PURPOSES SPECIFIED IN THIS AGREEMENT, OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BOND WILL PAY THE COSTS TO BE INCURRED IN CONNECTION THEREWITH.

ARTICLE VI PROJECT OWNER'S COVENANTS

Section 6.1. Covenants under Financing Documents. All of the covenants of the Project Owner contained in the Financing Documents applicable to the Project Owner, including without limitation those contained in the Financing Lease, are hereby reaffirmed and incorporated herein by this reference.

Section 6.2. Insurance. The Project Owner shall provide the insurance required under Article VIII of the Financing Lease.

Section 6.3. Description of Project. The Project Owner agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements and amendments hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project and for carrying out the intention or facilitating the performance of this Agreement.

ARTICLE VII EVENTS OF DEFAULT

Section 7.1. Events of Default. The term "Event of Default" shall mean any one or more of the following events:

(a) The failure of the Issuer to pay when due any payment of principal of or interest on or other amount payable under the Bond;

(b) The occurrence of an "Event of Default," "Default," "event of default" or contractual breach under any of the Financing Documents;

(c) Any representation or warranty of the Borrower contained in Section 2.2 hereof, in the Tax Agreement or in any other document, instrument or certificate delivered pursuant hereto or in connection with the issuance and sale of the Bond shall have been false, misleading or incomplete in any material respect on the date as of which made;

(d) Any representation or warranty of the Project Owner contained in Section 2.3 hereof, in the Financing Documents, or in any other document, instrument or certificate delivered pursuant hereto or in connection with the issuance and sale of the Bond shall have been false, misleading or incomplete in any material respect on the date as of which made;

(e) Failure by the Borrower or the Project Owner to observe and perform any covenant, condition or agreement on the part of the Borrower or the Project Owner under this Agreement, other than as referred to in the preceding paragraphs of this Section, for a period of forty-five (45) days after written notice, specifying such failure and requesting that it be remedied, is given to the

Borrower or the Project Owner, as the case may be, by the Holder; provided that if after such written notice such failure cannot with diligence be cured within such forty-five (45) day period, the Holder will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower or the Project Owner, as applicable, within the applicable period and diligently pursued until the default is corrected;

(f) Either the Borrower or the Project Owner shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, assignee, sequestrator, trustee, liquidator or similar official of it or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Bankruptcy Code, (v) file a petition seeking to take advantage of any other federal or state law relating to bankruptcy, insolvency, reorganization, arrangement, winding-up or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code, or (vii) take any corporate action for the purpose of effecting any of the foregoing; and

(g) A proceeding or case shall be commenced, without the application or consent of the Borrower or the Project Owner, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, arrangement, dissolution, winding-up or composition or adjustment of debts of the Borrower or the Project Owner, (ii) the appointment of a trustee, receiver, custodian, assignee, sequestrator, liquidator or similar official of the Borrower or the Project Owner or of all or any substantial part of its assets, or (iii) similar relief in respect of the Borrower or the Project Owner under any law relating to bankruptcy, insolvency, reorganization, arrangement, winding-up or composition or adjustment of debts and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 90 days from the commencement of such proceeding or case or the date of such order, judgment or decree, or an order for relief against the Borrower or the Project Owner shall be entered in an involuntary case under the Bankruptcy Code.

Section 7.2. Remedies of Holder. If Payment of the Bond shall not have been made, whenever any Event of Default referred to in Section 7.1 hereof shall have happened and shall not have been waived or cured within any applicable cure or grace period, the Holder may take any one or more of the following remedial steps:

(a) By written notice declare all principal repayable pursuant to the Bond and the Borrower Note, for the remainder of the terms thereof, to be immediately due and payable, whereupon the same, together with accrued interest thereon as provided for in the Bond and the Borrower Note, shall become immediately due and payable without presentment, demand, protest or any other notice whatsoever, all of which are hereby expressly waived by the Borrower and the Project Owner; provided, however, that upon the occurrence of any event described in Section 7.1(f) or (g), each of the Bond and the Borrower Note shall become immediately due without demand or acceleration.

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts payable pursuant to the Bond and the Financing Documents then due and thereafter to become due, or to enforce the performance and observance of any obligation,

agreement or covenant of the Borrower or the Project Owner under this Agreement or under any of the Financing Documents, including exercising all rights and remedies provided in the Financing Documents.

(c) So long as an Event of Default is continuing, the Default Rate shall be applicable on the Bond and the Borrower Note. The Issuer, the Borrower and the Holder can also collect a late payment penalty in accordance with Section 6.1(d) of the Financing Lease.

In the enforcement of the remedies provided in this Section, the Holder may treat all reasonable expenses of enforcement, including, without limitation, legal, accounting and advertising fees and expenses, as additional amounts payable by the Borrower or the Project Owner then due and owing, and the Borrower and the Project Owner agree to pay such additional amounts upon demand, the amount of such legal fees to be without regard to any statutory presumption.

Section 7.3. Payments After Default; No Waiver. Any amounts collected pursuant to action taken under Section 7.2 hereof shall be paid to the Holder and applied to the payment of, first, any costs, expenses and fees incurred by the Holder as a result of taking such action or any action authorized to be taken by Holder under any of the Financing Documents; second, any interest which shall have accrued on any overdue interest or overdue principal of the Bond at the rate set forth in the Bond, including interest at the Default Rate; third, any overdue interest on the Bond; fourth, any overdue principal of the Bond, including any late payment penalties; fifth, the outstanding principal balance of the Bond; and sixth, if Payment of the Bond shall have been made in full, all remaining moneys shall be applied as required by law.

Section 7.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Financing Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII LIMITATION OF LIABILITY

Section 8.1. Limitation of Issuer's Liability. Anything contained in this Agreement to the contrary notwithstanding, any obligation the Issuer may incur in connection with this Agreement for the payment of money shall not be deemed to constitute a general obligation or indebtedness of the Issuer, the Commonwealth or any political subdivision thereof, within the meaning of any Commonwealth constitutional provision or statutory limitation, and shall never constitute a pecuniary liability of the Commonwealth, but shall be a limited obligation of the Issuer payable solely from the revenues and receipts received by it under this Agreement. No provision in this Agreement or any obligation herein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer, the Commonwealth or any political subdivision thereof a pecuniary liability or a charge upon its general credit or taxing powers. The Issuer has no taxing power. No officer, director, employee, member or agent of the Issuer shall be personally liable on this Agreement or the Bond.

To the extent permitted by law, no recourse shall be had for the enforcement of any obligation, promise or agreement of the Issuer contained herein or for any claim based hereon or otherwise in respect hereof against any member, commissioner, director, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Issuer, or of any successor entity, either directly or through the Issuer or any successor entity, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any member, commissioner, director, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into among the Issuer, the Borrower, the Project Owner and the Holder, whether herein contained or to be implied herefrom as being supplemental hereto; and all personal liability of that character against every such member, commissioner, director, officer, agent, attorney or employee is, by the execution of this Agreement and as a condition of, and as part of the consideration for, the execution of this Agreement, expressly waived and released; provided, however, that no covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any past, present or future director member, officer, employee or agent of the Issuer in his individual capacity, and no such director, member, officer, employee or agent shall be subject to any liability under this Agreement or with respect to any other action taken by him unless he acts in grossly negligent or intentionally wrongful manner.

Notwithstanding any other provision of this Agreement, the Issuer shall not be liable to the Borrower, the Project Owner, the Holder or any other person for any failure of the Issuer to take action under this Agreement unless the Issuer (a) is requested in writing by an appropriate person to take such action, (b) is in its sole discretion either (i) fully indemnified to its satisfaction or (ii) assured of payment of, or reimbursement for, any reasonable expenses in such action, and (c) is afforded, under the existing circumstances, a reasonable period as determined by the Issuer to take such action. In acting under this Agreement, or in refraining from acting under this Agreement, the Issuer may conclusively rely on the advice of its counsel as to whether to take such action.

ARTICLE IX MISCELLANEOUS

Section 9.1. Assignment. Except as otherwise provided in the Financing Documents or with the prior written consent of the Holder, the rights of the Borrower and the Project Owner under this Agreement shall not be assigned and the Project may not be leased or sold as a whole or in part.

Section 9.2. Benefit of Agreement; Successors and Assigns. Each of the Borrower and the Project Owner intend that the representations, warranties and covenants made by it in this Agreement shall be for the equal benefit of the Issuer and the Purchaser hereunder. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and the subsequent holders of the Bond and their respective successors and assigns. The representations, covenants and agreements contained herein shall continue notwithstanding the delivery of the Bond to the Purchaser.

Section 9.3. Certification as to No Default. The Project Owner shall deliver to the Issuer, the Borrower and the Purchaser, within 180 days after the close of each Fiscal Year, a certification substantially in the form attached as Exhibit I signed by a Project Owner Representative.

Section 9.4. Notices. All demands, notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or by overnight courier or mailed by first class registered or certified mail, postage prepaid, addressed:

(a) if to the **Borrower**, to Virginia SAVES Green Community Program, Inc., c/o Clean Source Capital, LLC, 1447 South Tryon Street, Suite 301, Charlotte, North Carolina 28203 Attention: W. Gregory Montgomery, President, with a copy to McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219-3916, Attention: Douglas E. Lamb, Esq.;

(b) if to the **Issuer**, to Virginia Small Business Financing Authority, 101 N. 14th Street, 11th Floor, Richmond, Virginia 23219, Attention: Executive Director;

(c) if to the **Purchaser**, Banc of America Leasing and Capital, LLC, 11333 McCormick Road, Mail Code: MD5-032-07-05, Hunt Valley, Maryland 21031, Attn: Contract Administration;

(d) if to the **Project Owner**, to Albemarle County School Board, 401 McIntire Road, 4th Floor, County Office Building, Charlottesville, Virginia 22902, Attention: Superintendent.

A duplicate copy of each notice, approval, consent, request or other communication given under this Agreement by the Issuer, the Project Owner or the Borrower to the other shall also be given to the Purchaser. The Issuer, the Borrower, the Project Owner and the Purchaser may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests, or other communications shall be sent or persons to whose attention the same shall be directed.

Section 9.5. Amendments. The Financing Documents may not be terminated, modified or amended, and the Borrower and the Project Owner will not take or omit to take any action, the taking or omission of which might result in any alteration or impairment of the Financing Documents, without the prior written consent of the Holder. Any consent provided for in the Financing Documents which may be given by the Issuer with respect to rights assigned to Purchaser shall not be valid unless approved in writing by the Holder and no offer made by the Borrower or the Project Owner under this Agreement or the Financing Lease with respect to such rights shall be deemed accepted or rejected by the Issuer without such approval.

Section 9.6. UCC Financing Statements. The Holder may file any financing statements and any continuation statements and amendments to financing statements that are or may be necessary with respect to this Agreement, the Financing Documents and the assignment of the Issuer's rights hereunder under the Uniform Commercial Code as in effect in the Commonwealth, including fixture filings. Each of the Borrower and the Project Owner hereby (a) irrevocably appoints the Holder as its true and lawful attorney for such purpose, with full power of substitution, and (b) ratifies and confirms all that such attorney or any substitute shall lawfully do by virtue

hereof. If so requested by the Holder, the Borrower and the Project Owner shall ratify and confirm all proper continuation statements and amendments to financing statements as may be designated in any such request.

Section 9.7. No Third Party Beneficiary. It is specifically agreed between the parties to this Agreement that it is not intended by any of the provisions of any part of this Agreement to make the public or any member thereof, other than as may be expressly provided herein, a third party beneficiary hereunder.

Section 9.8. References to the Bond Ineffective After Bond Paid. Upon Payment of the Bond, all references in this Agreement to the Bond shall be ineffective and the Issuer and Holder of the Bond shall not thereafter have any rights hereunder, excepting those that shall have theretofore vested.

Section 9.9. Qualified Business. The Borrower agrees, during the term of this Agreement, to remain qualified to do business in the Commonwealth.

Section 9.10. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach thereunder or hereunder. Neither any failure nor any delay on the part of the Purchaser or any subsequent Holder to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

Section 9.11. Issuer Representative. Whenever under the provisions of this Agreement the approval of the Issuer is required or the Issuer is required to take some action at the written request of the Borrower or the Project Owner, such approval, subject to the right of the Issuer to be indemnified, shall be made or such action shall be taken by the Issuer Representative; and the Borrower, the Project Owner, the Purchaser and any subsequent Holder shall be authorized to rely on any such approval or action.

Section 9.12. Borrower Representative. Whenever under the provisions of this Agreement the approval of the Borrower is required or the Borrower is required to take some action at the request of the Issuer or the Project Owner, such approval shall be made or such action shall be taken by the Borrower Representative; and the Issuer, the Project Owner, the Purchaser and any subsequent Holder shall be authorized to act on any such approval or action.

Section 9.13. Project Owner Representative. Whenever under the provisions of this Agreement the approval of the Project Owner is required or the Project Owner is required to take some action at the request of the Issuer or the Borrower, such approval shall be made or such action shall be taken by the Project Owner Representative; and the Issuer, the Borrower, the Purchaser and any subsequent Holder shall be authorized to act on any such approval or action.

Section 9.14. Conflicts. To the extent any provision of this Agreement is directly inconsistent with the Bond and such provision of this Agreement cannot reasonably be reconciled with the Bond, the terms of this Agreement shall be controlling.

Section 9.15. Reports. The Purchaser shall furnish to the Issuer (i) prior to August 1st of each year, a statement of the amount of principal of the Bond outstanding and unpaid as of June 30 of such year and (ii) such information as may be necessary to complete the annual audit of the Issuer as required by the Act or any other law, now or hereafter in effect. Failure to provide such information to the Issuer shall not be an Event of Default.

Section 9.16. Severability. If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 9.17. Other Agreements. To the extent that the execution and delivery of any Financing Document by the Borrower, or the performance of its obligations thereunder, would constitute a violation of or default under any other agreement to which the Holder and the Borrower are parties, such other agreement is hereby amended to permit such execution and delivery or such performance, as the case may be, and any default under such agreement resulting from such execution and delivery or such performance is hereby waived.

Section 9.18. Applicable Law; Entire Understanding. This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Documents express the entire understanding and all agreements between the parties and may not be modified except in a writing signed by each of the parties thereto. No Financing Document may be modified before Payment of the Bond without the consent of the Holder and the Borrower.

Section 9.19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank;
Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

**VIRGINIA SMALL BUSINESS FINANCING
AUTHORITY**

By: _____

[Name]

[Title]

**BANC OF AMERICA LEASING & CAPITAL,
LLC**

By: _____

[Name]

[Title]

**VIRGINIA SAVES GREEN COMMUNITY
PROGRAM, INC.**

By: _____
W. Gregory Montgomery
President

ALBEMARLE COUNTY SCHOOL BOARD

By: _____

[Name]

[Title]

EXHIBIT A

FORM OF BOND

THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, AN “APPROVED INSTITUTIONAL BUYER” OR “QUALIFIED PURCHASER” WITHIN THE MEANING OF THE BELOW-DEFINED AGREEMENT AND PURSUANT TO THE TERMS THEREOF.

No. R-1

[\$7,900,000]

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
TAXABLE QUALIFIED ENERGY CONSERVATION BOND (DIRECT PAY)
(VIRGINIASAVES GREEN COMMUNITY PROGRAM –
ALBEMARLE COUNTY PUBLIC SCHOOLS PROJECT),
SERIES 2017**

Maturity Date

Dated Date

[August 15, 2029]

September [28], 2017

The VIRGINIA SMALL BUSINESS FINANCING AUTHORITY, a public body corporate and political subdivision of the Commonwealth of Virginia (the “Issuer”), for value received, hereby promises to pay, solely from the revenues and other sources pledged for such purpose as described below, to Banc of America Leasing & Capital, LLC, or its registered assigns or legal representatives, as the initial holder of this Bond (the “Purchaser”), the principal amount of [SEVEN MILLION NINE HUNDRED THOUSAND AND 00/100 DOLLARS (\$7,900,000)], on the dates set forth herein, together with interest thereon from September [28], 2017 until this Bond is paid in full. Unless otherwise defined herein, each capitalized term used herein has the meaning set forth in the Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017 (the “Agreement”) among the Issuer, the Purchaser, the Borrower and the Project Owner.

Principal of and interest on this Bond are payable in annual installments on the dates and in the amounts set forth in Schedule I hereto with a final maturity date of [August 15, 2029] (the “Maturity Date”), at which time the entire outstanding and unpaid principal amount this Bond and accrued interest will be due, subject to prepayment as provided in the Agreement. This Bond shall bear interest at the annual rate of [_____]%. Interest on this Bond is calculated on the basis of a 360-day year comprised of 12 months of 30 days each.

Interest on this Bond is payable in annual installments each August 15 (each an “Interest Payment Date”), commencing August 15, 2017, at the annual rate stated above until this Bond is paid in full.

Principal of and interest on this Bond are payable in lawful money of the United States of America. Principal of and interest on this Bond will be payable by check or draft or by wire transfer to the Holder, as registered owner.

In case the date fixed for the payment of principal of and interest on or the prepayment of this Bond is a date on which banking institutions are authorized or obligated by law to close, then payment of the principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date, and if made on such next succeeding date, no additional interest shall accrue for the period after such date of maturity, payment or prepayment.

Notwithstanding any contrary provision herein, if the interest rate on this Bond shall exceed the Maximum Rate at any time, the interest rate on this Bond shall be deemed to be the Maximum Rate for such time.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ALL PAYMENTS REQUIRED TO BE MADE HEREUNDER AND AS PROVIDED IN THE AGREEMENT SHALL BE DEEMED MADE WHEN THE PROJECT OWNER MAKES ITS PAYMENTS UNDER THE FINANCING DOCUMENTS.

From and after the occurrence of an Event of Default, until such time as such Event of Default has been remedied or otherwise waived by the Holder, this Bond shall bear interest at the Default Rate. To the extent permitted by law, interest shall accrue on any overdue payment of interest or principal at the Default Rate.

This Bond is issued pursuant to the Act and the Agreement, for the purpose of providing funds to implement the VirginiaSAVES Green Community Program (“VA SAVES”), which is a green community program established as a qualified conservation purpose under Section 54D(f)(1)(A)(ii) of the Code, and pursuant to which the Borrower will make available funds to the Project Owner for the purpose of (a) the acquisition, development, construction, installation and equipping by the Project Owner of energy efficiency improvements and related infrastructure at various facilities of the Project Owner, as more fully described in the Agreement, within the territory of the Commonwealth (the “Project”); and (b) pay certain fees and expenses incurred in connection with the issuance and sale of this Bond. The terms of the Agreement are hereby incorporated herein by reference.

This Bond is secured by an assignment to the Holder by the Issuer of substantially all of its rights in the Agreement and an assignment and delivery of the Borrower Note. Reference is hereby made to the Agreement, the Borrower Note and to all amendments thereto for a description of the provisions, among others, with respect to the nature and extent of such security, the rights, duties and obligations of the Issuer, the Borrower, the Project Owner and the Holder of this Bond.

Executed copies of the Agreement are on file in the office of the Issuer. Reference is hereby made to such documents for the provisions, among others, with respect to the custody and application of the proceeds of this Bond, the collection and disposition of revenues, the nature and extent of the security, the terms and conditions under which this Bond is or may be issued, the system of registration of this Bond, the rights, duties and obligations of the Issuer and the rights of the Holder of this Bond, and, by the acceptance of this Bond, the Holder hereof assents to all of the provisions of such documents.

NEITHER THE COMMONWEALTH NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE ISSUER, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT EXCEPT SOLELY FROM THE REVENUES DERIVED BY THE ISSUER PURSUANT TO THE AGREEMENT, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE ISSUER DOES NOT HAVE TAXING POWER.

The Issuer shall not be liable for payment of the principal of, redemption price or interest on this Bond or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Agreement, this Bond or any other documents, except only to the extent amounts are received for the payment thereof from or on behalf of the Borrower under the Agreement.

This Bond is subject to mandatory, optional and extraordinary prepayment, in accordance with the terms and conditions set forth in the Agreement.

In certain events, on the conditions, in the manner and with the effect set forth in the Agreement and the Financing Lease, the unpaid principal of this Bond may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

Payments of principal and interest on this Bond are payable to the Holder by U.S. Bank, National Association (the "Paying Agent") pursuant to the Paying Agent Agreement dated as of September [28], 2017, among the Issuer, the Borrower, the Project Owner and the Paying Agent, from funds received by the Paying Agent from the Project Owner, the Borrower or the Issuer, as provided by the Paying Agent Agreement. Presentment of the Bond to the Paying Agent shall not be required for payment of the principal and interest on the Bond.

The transfer of this Bond may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the office of the Paying Agent, as Registrar. Upon any such registration of transfer, the Issuer will execute and deliver in exchange for this Bond a new Bond registered in the name of the transferee.

All acts, conditions and things required to exist, happen and be performed precedent to the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitations.

[Remainder of Page Intentionally Left Blank;
Signature Pages Follow]

IN WITNESS WHEREOF, the Virginia Small Business Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual signature of its Chairman, and its official seal to be impressed or imprinted hereon and attested to by its Secretary/Treasurer, all as of the above date.

**VIRGINIA SMALL BUSINESS FINANCING
AUTHORITY**

By: _____
Gail L. Letts
Chairman

(SEAL)

ATTEST:

Secretary/Treasurer

CERTIFICATE OF AUTHENTICATION

This Taxable Qualified Energy Conservation Bond (Direct Pay) (VirginiaSAVES Green Community Program – Albemarle County Public Schools Project), Series 2017 is the Bond described in the above-mentioned Paying Agent Agreement.

Authentication Date: September [28], 2017

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Patricia A. Welling
Vice President and Account Manager

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF TRANSFEREE)

this Bond and all rights under it, and irrevocably constitutes and appoints _____, attorney, to transfer this Bond on the books kept for its registration, with full power of substitution.

Dated: _____

Tax I.D. No. _____

Signature Guaranteed:

(NOTE: The signature of the registered owner or owners must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association which is a member of a medallion program approved by The Securities Transfer Association, Inc.)

Registered Owner
(NOTE: The signature above must correspond exactly with must correspond exactly with the name of the registered owner as it appears on the front of this Bond.)

SCHEDULE I

Bond Payments

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Total

EXHIBIT B

FORM OF BORROWER NOTE

PROMISSORY NOTE

September [28], 2017

VIRGINIA SAVES GREEN COMMUNITY PROGRAM, INC., a Virginia nonstock corporation (the “Borrower”), for value received, hereby promises to pay, the principal amount of \$[7,900,000], solely from the sources as hereinafter provided, to the **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY** (the “Issuer”) or its registered assigns or legal representatives, on [August 15, 2029] (or earlier as required) in such amounts and at such times as payable on the Issuer’s \$[7,900,000] Taxable Qualified Energy Conservation Bond (Direct Pay) (VirginiaSAVES Green Community Program – Albemarle County Public Schools Project), Series 2017 (the “Bond”). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Agreement (as hereinafter defined).

The Borrower also promises to pay, but solely from such sources, interest on the outstanding principal amount of this Note in such amounts as payable on the Bond. Notwithstanding any contrary provision herein, if the interest rate on this Note shall exceed the Maximum Rate at any time, the interest rate on this Note shall be deemed to be the Maximum Rate for such time.

In accordance with the provisions of the Agreement, the terms and conditions of this Note shall be governed by the provisions of the Agreement applicable to the Bond. The Issuer and the Borrower acknowledge that Section 6431(f) of the Code shall not apply to this Note.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ALL PAYMENTS REQUIRED TO BE MADE HEREUNDER AND AS PROVIDED IN THE AGREEMENT SHALL BE DEEMED MADE WHEN THE PROJECT OWNER MAKES ITS PAYMENTS UNDER THE FINANCING DOCUMENTS.

This Note is issued by Borrower pursuant to a Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017 (the “Agreement”) among the Issuer, the Purchaser, the Borrower and the Project Owner.

This Note is secured by an assignment to the Issuer by the Borrower of substantially all of its rights in the Agreement.

Executed copies of the Agreement are on file in the office of the Issuer. Reference is hereby made to such documents for the provisions, among others, with respect to the custody and application of the proceeds of this Note, the collection and disposition of revenues, the nature and extent of the security, the terms and conditions under which this Note is or may be issued, the system of registration of this Note, the rights, duties and obligations of the Borrower and the rights

of the Issuer of this Note, and, by the acceptance of this Note, the Issuer assents to all of the provisions of such documents.

THIS NOTE SHALL BE A LIMITED OBLIGATION OF THE BORROWER, THE PRINCIPAL OF AND INTEREST ON WHICH SHALL BE PAYABLE BY THE BORROWER SOLELY OUT OF THE REVENUES DERIVED BY THE BORROWER PURSUANT TO THE FINANCING DOCUMENTS.

The Borrower shall not be liable for payment of the principal of, redemption price or interest on this Note or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Agreement, this Note or any other documents, except only to the extent amounts are received for the payment thereof from or on behalf of the Borrower under the Financing Lease.

All acts, conditions and things required to exist, happen and be performed precedent to the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and the issuance of this Note, together with all other obligations of the Borrower, does not exceed or violate any constitutional or statutory limitations.

[Remainder of Page Intentionally Left Blank;
Signature Pages Follow]

IN WITNESS WHEREOF, Virginia SAVES Green Community Program, Inc. has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized officer, all as of the above date.

**VIRGINIA SAVES GREEN COMMUNITY
PROGRAM, INC.**

By: _____
W. Gregory Montgomery
President

ASSIGNMENT

The Virginia Small Business Financing Authority (the “Issuer”) hereby irrevocably assigns the foregoing Promissory Note of Virginia SAVES Green Community Program, Inc., as its maker (the “Borrower”), to Banc of America Leasing & Capital, LLC (the “Purchaser”), pursuant to a Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017 (the “Agreement”), among the Issuer, the Borrower, Albemarle County School Board (the “Project Owner”), and the Purchaser, and hereby directs the Borrower, to make all payments with respect to principal and purchase price of and interest thereon and all other payments required thereby directly to U.S. Bank National Association, as Paying Agent, James Center Two, 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219, or at such other place as the Purchaser may direct in writing. Such assignment is made without recourse against the Issuer as security for the payment of the Issuer’s \$[7,900,000] Taxable Qualified Energy Conservation Bond (Direct Pay) (VirginiaSAVES Green Community Program – Albemarle County Public Schools Project), Series 2017.

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

By: _____
Gail L. Letts
Chairman

Acknowledged and Agreed:

Virginia SAVES Green Community Program, Inc.

By: _____
W. Gregory Montgomery, President

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

Virginia Small Business Financing Authority
101 N. 14th Street, 11th Floor
Richmond, Virginia 23219
Attention: Executive Director

Virginia SAVES Green Community Program, Inc.
c/o CleanSource Capital, LLC
1447 South Tryon Street, Suite 301
Charlotte, North Carolina 28203
Attention: W. Gregory Montgomery

Banc of America Leasing & Capital, LLC
11333 McCormick Road, Mail Code: MD5-032-07-05,
Hunt Valley, Maryland 21031
Attn: Contract Administration

Virginia Small Business Financing Authority
Taxable Qualified Energy Conservation Bond (Direct Pay)
(Virginia SAVES Green Community Program – Albemarle County Public Schools Project),
Series 2017

This certificate is being provided pursuant to Section 5.2 of the Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017 (the “Agreement”), among the Virginia Small Business Financing Authority (the “Issuer”), Virginia SAVES Green Community Program, Inc. (“VA SAVES”), the Albemarle County School Board (the “School Board”) and Banc of America Leasing & Capital, LLC, and the Financing Lease, dated September [28], 2017, between VA SAVES and the School Board.

On behalf of the School Board, I hereby certify the following:

(a) The Equipment set forth in the Financing Lease has been delivered, installed and accepted and the Project has been completed to the satisfaction of the School Board on the date hereof.

(b) The School Board has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

(c) All labor, services, materials and supplies used in the construction and equipping of the Project to be paid from the proceeds of the Bond have been paid for.

(d) This Completion Certificate is delivered within the Acquisition Period set forth in the Financing Lease.

(e) After payment of all remaining Project Costs, any amount remaining in the Escrow Account shall be applied to prepayment of the principal component of Rental Payments set forth on Schedule 1.1 of the Financing Lease in accordance with Section 4.2(c) of the Financing Lease and Section 3.5(c) of the Agreement, with corresponding redemption of the Bond by the same amount and at the price determined by Section 3.5(c) of the Agreement.

(f) The School Board is currently maintaining the insurance required by the Financing Lease.

(g) The School Board hereby reaffirms that its representations, warranties and covenants contained in the Financing Lease and the Agreement are true and correct as of the date hereof.

(h) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof under the Financing Lease.

All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement and the Financing Lease, as applicable.

ALBEMARLE COUNTY SCHOOL BOARD

By: _____
Name: _____
Title: _____

EXHIBIT D

FORM OF INVESTOR LETTER

September [28], 2017

Virginia Small Business Financing Authority, as Issuer
Richmond, Virginia

Albemarle County School Board
Charlottesville, Virginia

Re: Virginia Small Business Financing Authority
Taxable Qualified Energy Conservation Bond (Direct Pay)
(Virginia SAVES Green Community Program –
Albemarle County Public Schools Project),
Series 2017

Ladies and Gentlemen:

Banc of America Leasing & Capital, LLC (“Purchaser”) has agreed to make a loan by purchasing the above-referenced debt obligation (the “Debt Obligation”) in the amount of \$[7,900,000], which was issued by Virginia Small Business Financing Authority under that certain Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017 (the “Agreement”), by and among Virginia Small Business Financing Authority, Virginia SAVES Green Community Program, Inc., the Purchaser, and Albemarle County School Board. All capitalized terms used herein, but not defined herein, shall have the respective meanings set forth in the Agreement. The undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including lending and leasing to municipalities and other government entities and the purchase and ownership of municipal and other governmental obligations, to be able to evaluate the risks and merits represented by making the loan by purchasing the Debt Obligation.

2. The Purchaser has authority to make the loan by purchasing the Debt Obligation and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the making of the loan by purchasing the Debt Obligation, including the Agreement.

3. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof, and is able to bear the economic risks of purchasing the Debt Obligation and entering into the Agreement.

4. The Purchaser understands that an official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Debt

Obligation. The Purchaser has made its own inquiry and analysis with respect to the Issuer, the Borrower, the Project Owner, the Project, the Debt Obligation and the security therefor, and other material factors affecting the security for and payment of the Debt Obligation.

5. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the Issuer, the Borrower and the Project Owner, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning Issuer, the Borrower, the Project Owner, the Project, the Debt Obligation and the security therefor, so that it has been able to make an informed decision to make the loan by purchasing the Debt Obligation; provided, however, that this letter shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any untrue information it may have received or any material information which was withheld from its review.

6. The Purchaser understands that the Debt Obligation: (i) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (ii) is not listed on any stock or other securities exchange, and (iii) has not been rated by any credit rating agency.

7. The Debt Obligation is being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Debt Obligation, pursuant to the terms of Section 3.4 of the Agreement, but agrees that any such sale, transfer or distribution by the Purchaser shall be to: (i) an affiliate of the Purchaser, (ii) a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to Approved Institutional Buyers and/or Qualified Purchasers that execute a letter substantially in the form of this letter, (iii) an Approved Institutional Buyer that executes a letter substantially in the form of this letter, or (iv) as otherwise permitted under the terms of Section 3.4 of the Agreement.

[Remainder of Page Intentionally Left Blank;
Signature Page Follows]

**BANC OF AMERICA LEASING & CAPITAL,
LLC**

By: _____
[Name]
[Title]

EXHIBIT E

FORM OF DEED OF SALE

THIS DEED OF SALE (this “Deed of Sale”) is entered into effective as of September [28] 2017, by the **ALBEMARLE COUNTY SCHOOL BOARD**, a body politic of the Commonwealth of Virginia, as seller (the “School Board”) in favor of the **VIRGINIA SAVES GREEN COMMUNITY PROGRAM, INC.**, a Virginia nonstock corporation, as purchaser (“VA SAVES”).

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the School Board does hereby transfer, convey, set over and deliver to VA SAVES, all of School Board’s right, title and interest in and to the following property (the “Equipment”):

Energy savings equipment and improvements listed in [Schedule 1 and the Appendices] of the [Energy Savings Contract] dated as of September [__], 2017, between the Albemarle County School Board and Ameresco, Inc. (the “Energy Savings Contract”), as well as any property acquired using the proceeds of the Financing Lease, dated September [28], 2017, between VA SAVES, as lessor, and the School Board, as lessee, as modified, altered, amended or supplemented in accordance with the terms thereof, including any property now existing or hereafter acquired including all replacement parts, additions, repairs, modifications, improvements, attachments and accessories thereto, and all substitutions, replacements or exchanges therefor.

Such right, title and interest in the Equipment now existing or hereafter acquired shall include the rights of the School Board to acquire the Equipment pursuant to the Energy Savings Contract.

The School Board hereby represents and warrants that such Equipment is free and clear of any liens, security interests and encumbrances created by the School Board.

This Deed of Sale and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of laws principles of such state.

[Signature Page Follows]

IN WITNESS WHEREOF, the School Board has caused this Deed of Sale to be executed effective as of the date first written above.

SELLER:

ALBEMARLE COUNTY SCHOOL BOARD

By: _____

Name: _____

Title: _____

EXHIBIT F

FORM OF FINANCING LEASE

[Attached]

EXHIBIT G

FORM OF PAYING AGENT AGREEMENT

[Attached]

EXHIBIT H

FORM OF ESCROW AGREEMENT

[Attached]

EXHIBIT I

FORM OF CERTIFICATION AS TO NO DEFAULT

[DATE]

Virginia Small Business Financing Authority
101 N. 14th Street, 11th Floor
Richmond, Virginia 23219
Attention: Executive Director

Virginia SAVES Green Community Program, Inc.
c/o CleanSource Capital, LLC
1447 South Tryon Street, Suite 301
Charlotte, North Carolina 28203
Attention: W. Gregory Montgomery

Banc of America Leasing & Capital, LLC
11333 McCormick Road, Mail Code: MD5-032-07-05,
Hunt Valley, Maryland 21031
Attn: Contract Administration

Dear Ladies and Gentlemen:

In accordance with Section 9.3 of the Bond Purchase and Lease Acquisition Agreement dated as of September [28], 2017, among the Issuer, the Borrower, the Project Owner and the Purchaser (the "Agreement"), I hereby certify that, during the fiscal year that ended June 30, _____, and through the date of this letter:

1. [No event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time, or both, would constitute, an Event of Default as defined in Section 7.1 of the Agreement and Section 10.1 of the Financing Lease dated September [28], 2017 between the Borrower and the Project Owner.] [If an Event of Default has occurred, please specify the nature and period of such Event of Default and what action the Project Owner has taken, is taking or proposes to take to rectify it].
2. [The ownership and status of all or a portion of the Equipment has not changed since the Closing Date.] [If untrue, please describe.]
3. Unless otherwise defined herein, each capitalized term used herein has the meaning set forth in the Agreement.

Sincerely,

[Insert Name]
School Board Representative