



Disclosure of Risk Affidavit

As a property owner participating in the Oklahoma C-PACE Program, and pursuant to the Oklahoma C-PACE Program, INCOG and _____ (the "County") make the following disclosures and set forth potential risks associated with accepting C-PACE financing and the C-PACE assessment on your property as follows:

DISCLOSURES

- 1) The C-PACE assessment will be paid through a bill issued by the C-PACE capital provider and will be due and payable on the same date as the real property taxes.
- 2) Assessments are secured by and attached to the real property. At resale, the potential purchaser of the property will be responsible for continuing to pay the assessment.
- 3) The assessment will continue as a lien on the property ("C-PACE Lien") from the date it becomes payable until the assessment, interest, and penalties on the assessment are paid in full, regardless of a change in ownership of the property, whether voluntary or involuntary.
- 4) The C-PACE Lien constitutes a first lien on the property that has priority over prior or subsequent liens in favor of private parties.
- 5) If Property Owner fails to pay all or part of any annual assessment when due, the C-PACE Lien shall be enforced in the same manner and with the same priority as the enforcement by a holder of any bond or coupon related to a lien for unpaid assessments, as provided by Oklahoma law, the Act and the Program Resolution.
- 6) The property owner should carefully review the financing agreement and all terms related to the C-PACE assessment financing and should consult with competent legal counsel prior to execution.
- 7) Neither INCOG nor the County have any liability for payment of the C-PACE assessment, nor for its assessment, levy and collection, or any costs associated with the assessment, levy and collection of amounts due under the C-PACE assessment.
- 8) Neither INCOG nor the County is your capital provider. INCOG's role in this transaction is to administer the Oklahoma C-PACE Program and meet all of INCOG's statutory obligations. If the proposed Oklahoma C-PACE Program project is approved by both INCOG and the C-PACE capital provider, and the property owner meets all of the Oklahoma C-PACE Program and C-PACE capital provider requirements, then the capital provider will finance the C-PACE eligible project.
- 9) The property owner has been made aware of the effective interest rate on the assessment, including fees charged by INCOG to administer the Oklahoma C-PACE Program.



POTENTIAL RISKS

- 1) The capital provider, the County, and INCOG do not guarantee energy savings.
- 2) The improvements proposed to be installed on the property may not perform to specification. They may break down or underperform due to technical malfunction or improper installation. Project success often depends on third parties who are capable of installing and managing projects and structuring contracts that provide appropriate protection against these construction and operational risks. INCOG recommends borrowers have their installation and servicing contracts reviewed by competent legal counsel and engineering consultants prior to execution. Neither INCOG nor the County nor the C-PACE capital provider endorses the workmanship of any contractor nor guarantees, warranties, or in any way represents or assumes liability for any work proposed or carried out by a contractor. Additionally, neither INCOG nor the County nor the C-PACE capital provider is responsible for assuring the design, engineering, and construction of the project is proper or complies with any particular laws, regulations, codes, licensing, certification and permit requirements, or industry standards. Neither INCOG nor the County nor the C-PACE capital provider makes any representations of any kind regarding the results to be achieved by the project or the adequacy or safety of such measures.
- 3) Completed projects require ongoing maintenance to meet projected energy savings and sustain equipment performance. Such maintenance could be complex, costly, and/or be beyond the capabilities of “in-house” staff, requiring external expertise or specialized services over the life of the energy conservation or renewable energy measures.
- 4) Fluctuations in energy prices may increase or decrease the savings associated with your project. Your project’s estimated savings are based on assumptions about the future price of electricity and fuels. To the extent that future energy prices are lower than those assumed to occur, your future savings will be less than projected.
- 5) Changes in property occupancy may increase or decrease the savings associated with your project. Your project’s estimated savings are based on assumptions about the future occupancy and uses of your property. To the extent that occupancy decreases, or property uses shift in a manner not currently contemplated such that less energy will be used than expected, your future savings will be less than projected.
- 6) Oklahoma C-PACE Program financing is fixed rate financing. Although you will be able to prepay the remaining principal of your assessment at any time subject to any applicable prepayment penalties as may be contained in the financing agreement, you will not be able to refinance through the C-PACE capital provider or INCOG to achieve a lower rate.
- 7) The success of your project may depend in part on various Federal or State policies and incentives that support or enhance project economic feasibility. Such policies may include governmental initiatives, laws and regulations designed to reduce energy usage, encourage the use of clean energy or encourage the investment in



and the use of sustainable infrastructure. Incentives provided by the Federal government may include tax credits, tax deductions, bonus depreciation as well as federal grants and loan guarantees. Incentives provided by the State of Oklahoma may include renewable portfolio standards, which specify the portion of the power utilized by local utilities that must be derived from clean energy sources such as renewable energy, renewable energy credits, tariffs, tax incentives and other cash and non-cash payments. In addition, Federal and State may provide regulatory, tax and other incentives to encourage the development and growth of sustainable infrastructure. You may be depending on these policies and incentives to help defray the costs associated with, and to finance, your project. Government regulations also impact the terms of third-party financing provided to support these projects. If any of these government policies, incentives or regulations are adversely amended, delayed, eliminated, reduced or not extended beyond their current expiration dates, the economics of your project may be harmed.

The property owner hereby acknowledges the above described Oklahoma C-PACE Program Disclosures and transaction risks by and through its duly authorized undersigned representative.

SIGNED AND DATED

ON BEHALF OF BORROWER/PROPERTY OWNER: _____

NAME: _____

TITLE: _____

DATE: _____