

FINANCE SPECIFICATIONS

Term (Years)	10 yr	20 yr	30 yr
Interest Rate	7.49%	8.25%	8.49%
Origination Fee	4.99%		

Assessment Amount	The assessment amount is the amount Spruce will finance for PACE improvements. This amount varies based on the size of the solar project and includes upfront fees for financing and capital interest.
Automatic Re-amortization	The assessment amount automatically re-amortizes at the end of month 18 based on the principal amount outstanding at that time. Any prepayments made before then decrease the outstanding principal amount.*
Capitalized Interest	<ul style="list-style-type: none"> Capitalized interest charges start accruing on the date the assessment closes (closing date**), and continue to accrue until Sep 2 of the year the first payment is due. The amount of capitalized interest will be included on the financing documents. Like a loan, non-capitalized interest (accrued interest) obligations are part of regular biannual payments.

* The assessment amount does not automatically re-amortize if there has been a default or late payment during the first 18 months.

** The property assessment closing date (closing date) is typically 2 weeks after the date Spruce grants Installation Completion (IC).

CONSUMER PAYMENT INFORMATION

Billing & Payment	<ul style="list-style-type: none"> Consumers (i.e. homeowners) in the CSCDA and WRCOG jurisdictions receive annual tax bills that may be paid in two installments on Nov 1 and Feb 1. Payment will appear as a new, separate line on property taxes. Payment will be in addition to current property taxes before PACE. Each biannual payment includes an annual administrative fee charged by the relevant tax collector.
First Payment	<p>Timing of the first payment depends on the closing date (typically 2 weeks after IC):</p> <ul style="list-style-type: none"> If the closing date is before Aug 1 of Year 1, the first payment is due Nov 1 of Year 1. If the closing date is on or after Aug 1 of Year 1 (through July 31 of Year 2), then the first payment is due Nov 1 of Year 2. <p>Note: The timing of payments may vary depending on if property taxes are escrowed with mortgage payments.</p>
Deferred Payments	<ul style="list-style-type: none"> Consumers may choose to defer their first payment by 1 year, allowing them the opportunity to benefit from the Federal tax credit before making a payment. Deferred payments add more interest to the total assessment amount, which increases each payment.
Prepayment Option	Consumers may pay off the assessment amount at any time in full, or in any amount of at least \$2,500.*
Home Sale	<p>The solar system and assessment are tied to the home. As such, either:</p> <ul style="list-style-type: none"> The new homebuyer will automatically take on payments associated with PACE, or Home seller will be required to pay off the outstanding assessment balance.**

* A prepayment is calculated to include the principal and interest. The principal for prepayment is the amount of the assessment to be prepaid (Assessment Prepayment Amount). The interest for prepayment is the amount accrued between the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

** The home seller's mortgage holder should be consulted at the time of refinance or sale of the property to determine whether the assessment will need to be paid in full. In addition, by law, notice of the assessment must be provided to the buyer prior to sale of the property.

QUALIFICATIONS AND REQUIREMENTS

Approved Jurisdictions	California Statewide Communities Development Authority (CSCDA) Western Riverside Council of Governments (WRCOG) expected March 2017 See full details at sprucefinance.com/financing/pace .
Consumer Qualification & Ownership	<ul style="list-style-type: none"> ▪ Spruce PACE LLC., a wholly owned subsidiary of Spruce Finance Inc. (Spruce) will provide the financing. ▪ PACE eligibility is not based on a FICO score. However, eligibility is dependent upon elements from the Credit Report including, but not limited to: availability of credit file, history of bankruptcy, mortgage payment history and frozen credit status. ▪ Eligibility is also dependent upon property ownership and history including, but not limited to previous records of tax payments and/or property liens. In addition, the property cannot be considered new construction.* ▪ The property owner must be assessed property taxes.
Joint Applications	<ul style="list-style-type: none"> ▪ If consumers apply jointly, all applicants and signatories must be on property title. ▪ One of the signatories to the agreement must pass the consumer credit review.
Property Requirements	<p>The property where the solar system is installed must be located in a city or county that has signed up to be a Participating Community.</p> <p>Most property types are eligible for PACE:</p> <ul style="list-style-type: none"> ▪ Primary or secondary residences. ▪ Rental property (3 units or fewer). ▪ Townhomes (or row-houses), condominiums, or duplexes. ▪ Mobile, manufactured, or modular homes on with a permanent foundation. ▪ Detached structures with a permanent foundation (e.g. barn, garage). ▪ Ground mounts. ▪ Ranches and agricultural properties are permissible with proof of a residential meter. <p>Ineligible properties include: mobile, manufactured, and/or modular homes not on a permanent foundation; and commercial properties.</p> <p>If there is a pre-existing solar system installed on the residence, the new solar system must have separate monitoring. Both systems cannot share one monitoring meter.</p>
Welcome Call	A Welcome Call is required to confirm the consumer understands the Agreement and terms.
Monitoring Requirements	System performance monitoring is required for the 30-year assessment term.

* Please refer to the Spruce PACE Residential Property Owner Program Handbook for a full list of Spruce PACE Eligibility Requirements.

DESIGN & EQUIPMENT

Sizing Rules	<p>Rules vary by utility. Some utilities have sizing limitations based on current energy usage. A system with estimated production greater than current energy usage is considered an oversized system. If an oversized system is desired, the contractor is responsible for complying with all rules and regulations. Spruce provides an optional Oversized System Waiver form that may be used for consumer acknowledgement of an oversized system.</p>				
Approved Modules*	Aleo Solar	Anjitek	Au Optronics	BYD	Canadian Solar
	CentroSolar	China Sunergy	Chint/Astronergy	ET Solar	First Solar
	Flex	GCL Systems	Hanwha	Hareon	HT-SAAE
	Hyundai Heavy	JA Solar	Jinko Solar	Kyocera	LG
	Mitsubishi	Panasonic	Phono Solar	REC Solar	Renesola
	Risen Energy	Samsung	S-Energy	Seraphim	Sharp
	Solar Frontier	SolarWorld	Suniva	SunPower	Suntech/Shufeng
	Talesun	Tata	Trina	Waaree	Winaico
	ZNShine				
Approved Inverters*	ABB	Enphase	Fronius	SMA	SolarEdge

* Subject to change

LEGAL DISCLAIMER

Use of the Product Guide

Spruce Finance Inc. and its affiliates ("we" or "us") have produced this Product Specification as a courtesy, to summarize the key aspects of the Solar Loan described herein ("Agreement"). We have done our best to ensure all information is accurate and up-to-date, but inaccuracies or omissions may occasionally occur. This Product Specification is not intended for a homeowner audience and does not replace, supersede or supplement the terms of the agreements with a consumer or with us. Any inconsistency between this Product Specification and any agreement with a consumer or an agreement with us will always be resolved in favor of the agreement with a consumer or agreement with us, such as the Financing Program Agreement, the Program Specifications, and all applicable laws.

Questions?

If you detect an error or inconsistency, or have a question, please contact your Spruce Account Representative.