

MARYLAND STATE TREASURER'S OFFICE

**Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401**

**QUESTION AND ANSWER
FOR
EXPRESSION OF INTEREST FOR
ENERGY PERFORMANCE CONTRACT LEASE-PURCHASE FINANCING**

December 8, 2017

Q-1. Will the lender get a security interest in the equipment?

A-1. Yes.

Q-2. Are there any existing liens on the equipment?

A-2. No.

Q-3. It appears that this will be an additional phase under an existing EPC. What Phase is this? Phase 3?

A-3. This could be considered Phase 2. It is an improvement to an existing project.

Q-4. Can you provide a cash flow in connection with this project? Does this phase support itself or does it rely on savings from prior savings – i.e. do savings from this Phase cover the debt service?

A-4. This project doesn't have positive cash flow on its own. It is an improvement and it relies in part on savings from the original project.

Q-5. Who is the ESCO?

A-5. Constellation New Energy, Inc. formerly known as Pepco Energy Services, Inc. (Constellation).