Cut Carbon Note

by Calvert Impact

PROSPECTUS

Cut Carbon Notes
Calvert Impact Climate, Inc.
Issuer
7550 Wisconsin Avenue, 8th Floor,
Bethesda, MD 20814

Calvert Impact, Inc.
Sponsor and Master Servicer

This prospectus relates to the offer from time to time by Calvert Impact Climate, Inc. of the Cut Carbon Notes (the "**Notes**") for purchase by prospective investors. **You should read the section entitled "*Risk Factors*" on page 20 of this prospectus and in the related prospectus supplement, and carefully consider the risk factors in those sections before making a decision to invest in the Notes.**

The Sponsor –

Calvert Impact, Inc. ("**Calvert Impact**"), the sponsor (in that capacity, the "**Sponsor**"), is a Delaware 501(c)(3) charitable nonstock corporation.

The Issuer —

The issuer, Calvert Impact Climate, Inc. (the "**Issuer**"), is a Delaware 501(c)(3) charitable nonstock corporation.

The Notes —

The Notes:

- will be issued from time to time by the Issuer;
- will represent indebtedness of the Issuer;
- will be payable from all assets of the Issuer and secured by the CPACE Assets and certain other assets of the Issuer;
- are not interests in or obligations of any other person or entity; and
- may have the benefit of one or more forms of credit enhancement, such as reserve funds, overcollateralization, or excess spread.

The Notes will be rated as indicated in the relevant pricing supplement to the applicable prospectus supplement.

The CPACE Assets —

The Issuer will use the proceeds of the Notes to purchase Commercial Property Assessed Clean Energy ("**CPACE**") bond ("**CPACE Bonds**") or assessment ("**CPACE Assessments**") instruments (or other substantially similar assets permitted under relevant enabling legislation) (together, the "**CPACE Assets**"). The CPACE Assets are issued to finance on- and off-site renewable energy, energy efficiency, water conservation, seismic retrofit, hurricane protection, and/or other commercial environmental sustainability improvement projects allowed by statutory law. These CPACE Assets provide low-cost, long-term funding for energy efficiency improvements to commercial, industrial, multi-family, and non-profit buildings that may contribute toward reducing greenhouse gas emissions and reducing energy costs for property owners.

Neither the Notes nor the CPACE Assets will be insured or guaranteed by any governmental agency or instrumentality.

Retain this prospectus for future reference. This prospectus may not be used to consummate sales of Notes unless accompanied by the prospectus supplement relating to the offering of the Notes.

Lead Agent
InspereX

Prospectus dated May 24, 2024
as amended effective January 22, 2025

This prospectus, as it may be amended or supplemented from time to time, may be used until the expiration of the periods of time authorized by registration or exemption in the various states where the Notes are offered, which typically is 12 months from the date of effectiveness of the registration or exemption in the applicable state.

Important Notice about the Information Presented in this Prospectus and the Accompanying Prospectus Supplement

This prospectus includes information related to the offer by the Issuer for prospective investors to purchase the Notes. The Issuer's principal executive office is located at 7550 Wisconsin Avenue, 8th Floor, Bethesda, MD 20814. The Issuer's telephone number is 800-248-0337. We provide information about the Notes in two separate documents: (a) this prospectus, which provides general information, some of which may not apply to the Notes issued in any particular issuance, including your Notes; and (b) the related prospectus supplement, which describes the specific terms of your Notes, including information about:

- the type of Notes offered;
- certain risks relating to an investment in your Notes;
- the timing and amount of interest payments on and principal payments of your Notes;
- the CPACE Assets securing your Notes; and
- any credit enhancement for your Notes.

Together, this prospectus and the accompanying prospectus supplements, including any pricing supplement, are referred to herein as the "**prospectus**." As used herein, the term "**prospectus supplement**" includes any applicable pricing supplement.

Prospective investors are advised to read this prospectus carefully prior to making any decisions to invest in the Notes. Whenever information in the related prospectus supplement is more specific than the information in this prospectus, you should rely on the information in the related prospectus supplement. You should rely only on the information provided in this prospectus and the related prospectus supplement. We have not authorized anyone to provide you with different information, and if given or made, such information or representations must not be relied upon as having been made by the Issuer or InspereX LLC ("**InspereX**"). We are not offering the Notes in any jurisdiction where the offer is not permitted. We include cross-references in this prospectus and in the related prospectus supplement to captions in these materials where you can find further related discussions. The table of contents in this prospectus and the related prospectus supplement provide the pages on which these captions are located.

Preliminary Statements

The Notes will be global book-entry notes, which means that they may be purchased electronically through a prospective investor's brokerage account and settled through the Depository Trust Company ("**DTC**"). The Issuer will offer the Notes through registered broker-dealers. The Notes may be offered through InspereX (in such capacity, the "**Selling Agent**" or "**Lead Agent**") as Lead Agent for resale to other registered broker-dealers. InspereX, or any other agent appointed by the Issuer, is not required to purchase or sell any specific amount of the Notes but will sell the Notes on a reasonable best-efforts basis. The prospectus supplement will describe: (i) the net proceeds the Issuer estimates that it will receive from the offering after sales compensation to InspereX, and (ii) the total estimated expenses of the offering, excluding sales compensation.

An investment in the Notes involves various material risks and investors may lose all or part of their investment. Prior to any investment, and in consultation with their financial, tax and legal advisors, investors should carefully consider, among other matters, the risk factors disclosed in the **"Risk Factors" section of this prospectus beginning on page 20**. There can be no assurance that the list of risk factors pertaining to an investment in the Notes or the Issuer is comprehensive. Additional risks not presently known to the Issuer or that are currently deemed immaterial could also materially and adversely affect the Issuer's ability to make payments under the Notes.

AN INVESTOR OR POTENTIAL INVESTOR IN THE NOTES (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PERSON OR ENTITY) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTION (AS DEFINED IN UNITED STATES TREASURY REGULATIONS SECTION 1.6011-4 AND ANY COMPARABLE PROVISION OF STATE OR LOCAL LAW) AND ALL DIRECTLY RELATED MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO SUCH PERSON OR ENTITY.

TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, AND SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND OTHER SUBSTANTIALLY SIMILAR LAWS IMPOSE CERTAIN REQUIREMENTS ON THOSE EMPLOYEE BENEFIT PLANS OR OTHER RETIREMENT ARRANGEMENTS TO WHICH THEY APPLY ("**BENEFIT PLANS**") AND ON THOSE PERSONS WHO ARE FIDUCIARIES WITH RESPECT TO THE ASSETS OF SUCH PLANS OR ARRANGEMENTS. THE NOTES MAY BE ACQUIRED BY A TRANSFEREE FOR, ON BEHALF OF OR WITH THE ASSETS OF A BENEFIT PLAN, SUBJECT TO THE IMPORTANT CONSIDERATIONS AS DESCRIBED UNDER "ERISA AND RELATED CONSIDERATIONS" IN THIS PROSPECTUS.

THIS PROSPECTUS SETS FORTH INFORMATION ABOUT THE NOTES THAT INVESTORS SHOULD KNOW BEFORE INVESTING, AND SHOULD BE RETAINED FOR FUTURE REFERENCE. INVESTORS SHOULD READ THIS PROSPECTUS AND ANY PROSPECTUS SUPPLEMENT CAREFULLY BEFORE INVESTING.

THE NOTES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM FEDERAL REGISTRATION PURSUANT TO SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED ("**SECURITIES ACT**").

THESE NOTES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE ISSUER. THIS PROSPECTUS HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION. THIS PROSPECTUS HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THESE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS PROSPECTUS AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE NOTES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE FOREGOING AUTHORITIES ALSO HAVE NOT PASSED

UPON WHETHER THE NOTES CAN BE SOLD TO ANY OR ALL PURCHASERS IN COMPLIANCE WITH EXISTING OR FUTURE SUITABILITY OR CONDUCT STANDARDS APPLICABLE TO BROKER-DEALERS, INCLUDING THE 'REGULATION BEST INTEREST' STANDARD.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FROM A FINANCIAL POINT OF VIEW, THE NOTES SHOULD NOT BE A PRIMARY INVESTMENT IN RELATION TO THE OVERALL SIZE OF AN INVESTOR'S PORTFOLIO. AN INVESTOR IN THE NOTES SHOULD BE ABLE TO LOSE THE INVESTOR'S ENTIRE INVESTMENT WITHOUT SUFFERING FINANCIAL HARDSHIP. INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT AND WILL NOT BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("**FDIC**"), THE SECURITIES INVESTMENT PROTECTION CORPORATION ("**SIPC**"), ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS SOLELY DEPENDENT UPON ISSUER'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS ISSUER OF THE NOTES. ANY PROSPECTIVE INVESTOR SHOULD CAREFULLY REVIEW ISSUER'S FINANCIAL STATEMENTS, WHICH ARE APPENDED TO THIS PROSPECTUS.

THE AVAILABILITY OF THE NOTES IN EACH STATE IS DEPENDENT UPON THE EFFECTIVENESS OF ITS SECURITIES REGISTRATION OR EXEMPTION IN THAT STATE FROM TIME TO TIME.

ISSUER RESERVES THE RIGHT IN ITS SOLE DISCRETION TO SUSPEND THE SALE OF THE NOTES AT ANY TIME OR TO REJECT ANY SPECIFIC INVESTMENT REQUEST. ISSUER MAY ALSO, IN ITS SOLE DISCRETION, ELECT TO ACCEPT A SPECIFIC INVESTMENT REQUEST AS A PORTION, BUT NOT ALL, OF THE AMOUNT PROPOSED FOR INVESTMENT. INSPEREX HAS ADVISED ISSUER THAT AT ITS SOLE DISCRETION, IT MAY PURCHASE AND SELL NOTES AFTER ISSUANCE, BUT THAT IT IS NOT OBLIGATED TO BUY OR SELL NOTES OR MAKE A SECONDARY MARKET IN THE NOTES AND MAY SUSPEND OR PERMANENTLY CEASE THAT ACTIVITY AT ANY TIME.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY FROM ANY PERSON IN ANY STATE OR ANY OTHER POLITICAL JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION MAY NOT LAWFULLY BE MADE. FEDERAL AND STATE SECURITIES LAWS MAY AFFECT THE ISSUER'S ABILITY TO CONTINUE TO SELL THE NOTES IN CERTAIN STATES. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING BY A BROKER-DEALER IN ANY STATE IN WHICH SUCH BROKER-DEALER IS NOT QUALIFIED TO ACT AS A BROKER-DEALER.

State Specific Disclosures

The information in this section applies to offers and sales of Notes in the following states. These states give residents and other investors certain legal rights with regard to investments made in the state, or require the Issuer to disclose certain information to investors in those states.

ALABAMA.

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 8-6-10 OF THE ALABAMA SECURITIES ACT.

FLORIDA.

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION AND HAVE NOT BEEN REGISTERED IN THE STATE OF FLORIDA.

KENTUCKY.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

LOUISIANA.

THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF LOUISIANA UNDER SECTION 51-705(B) OF THE LOUISIANA REVISED STATUTES. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF THESE SECURITIES.

MICHIGAN.

THESE SECURITIES ARE OFFERED PURSUANT TO A REGISTRATION ORDER ISSUED BY THE STATE OF MICHIGAN. THE STATE OF MICHIGAN DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE TRUTH, MERITS, OR COMPLETENESS OF ANY PROSPECTUS OR ANY OTHER INFORMATION FILED WITH THIS STATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PENNSYLVANIA.

A REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES OFFERED BY THIS PROSPECTUS HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES IN HARRISBURG, PENNSYLVANIA. SUCH REGISTRATION STATEMENT INCLUDED CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THE PROSPECTUS AND ARE AVAILABLE FOR INSPECTION AT THE HARRISBURG OFFICE OF THE DEPARTMENT DURING REGULAR BUSINESS HOURS. THE HARRISBURG OFFICE IS LOCATED IN MARKET SQUARE PLAZA, 17 N SECOND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA, 17101. TELEPHONE NO. 717-787-8059. REGULAR BUSINESS HOURS ARE MONDAY THROUGH FRIDAY, 8:30 AM TO 5:00 PM.

UNDER SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER RECEIPT OF THIS PROSPECTUS TO WITHDRAW YOUR PURCHASE OF REGISTERED SECURITIES AND RECEIVE A FULL REFUND OF ALL MONIES. ANY SUCH WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING ELECTRONIC MAIL) TO THE ISSUER OR UNDERWRITER INDICATING YOUR INTENTION TO WITHDRAW.

IT IS THE POSITION OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION IN CONNECTION WITH VIOLATION OF SECURITIES LAWS IS AGAINST PUBLIC POLICY AND VOID.

VIRGINIA.

THESE SECURITIES ARE BEING ISSUED PURSUANT TO A CLAIM OF EXEMPTION UNDER §13.1-514.1.B OF THE VIRGINIA SECURITIES ACT.

Notices to Investors: European Economic Area and United Kingdom

EUROPEAN ECONOMIC AREA.

THIS PROSPECTUS IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 (AS AMENDED, THE "**EU PROSPECTUS REGULATION**").

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EU RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE "**EEA**"). FOR THESE PURPOSES, AN "**EU RETAIL INVESTOR**" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE EU PROSPECTUS REGULATION.

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE "**EU PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO EU RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY EU RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

UNITED KINGDOM.

THIS PROSPECTUS IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM (THE "**UK**") BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE "**EUWA**") (AS AMENDED, THE "**UK PROSPECTUS REGULATION**").

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES, A "**UK RETAIL INVESTOR**" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF COMMISSION DELEGATED REGULATION (EU) 2017/565 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA, AND AS AMENDED; OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE "**FSMA**") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97 (SUCH RULES OR REGULATIONS, AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA, AND AS AMENDED; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE UK PROSPECTUS REGULATION.

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS IT FORMS PART OF THE DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUWA (AS AMENDED, THE "**UK PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

IN THE UK, THIS PROSPECTUS MAY ONLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE "**ORDER**"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (*HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.*) OF THE ORDER; OR (III) ARE PERSONS TO WHOM THIS PROSPECTUS MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS, "**RELEVANT PERSONS**"). IN THE UK, A PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS PROSPECTUS OR ANY OF ITS CONTENTS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES, INCLUDING THE NOTES, IS AVAILABLE IN THE UK ONLY TO RELEVANT PERSONS AND WILL, IN THE UK, BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

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Offering Summary

This summary highlights selected information from this prospectus and does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the offering of the Notes, carefully read this entire prospectus and the related prospectus supplement.

This summary provides an overview of certain structural elements, calculations, cash flows and other information pertaining to the Notes to aid your understanding and is qualified by the full description of these calculations, cash flows and other information in this prospectus and the related prospectus supplement.

There are material risks associated with an investment in the Notes. You should read the section entitled "*Risk Factors*" in this prospectus and in the related prospectus supplement, and consider the risk factors described in those sections, before making a decision to invest in the Notes.

The Issuer of the Notes is Calvert Impact Climate, Inc., a Delaware charitable nonstock corporation that is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Issuer's charitable purpose is to mitigate the effects of climate change and promote sustainable real estate development. To advance its charitable purpose, the Issuer provides permanent financing for energy efficiency and renewable energy generation upgrades for commercial buildings throughout the U.S. This financing is originated pursuant to CPACE programs. Through CPACE programs, building owners can make sustainability upgrades to their properties using private financing, which they repay via special assessments added to their tax bill. The special assessments create liens on the underlying property that are (i) on equal footing with or immediately junior to property taxes and other municipal liens, (ii) on par with other CPACE Assessments, and (iii) senior to all other liens, including mortgage liens.

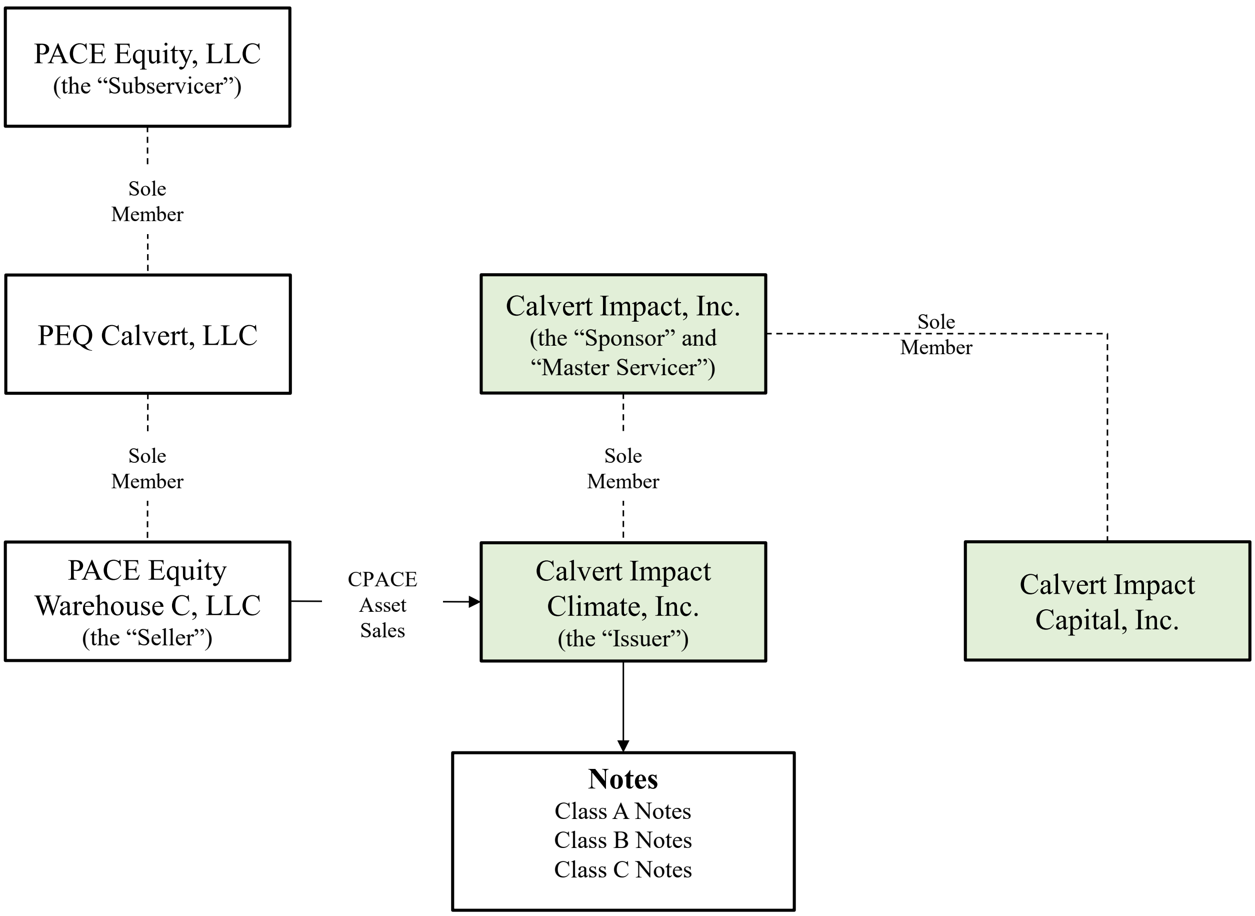
The sponsor of the Notes is Calvert Impact, Inc., a Delaware charitable nonstock corporation that is tax-exempt as an organization described in Section 501(c)(3) of the Code. Calvert Impact, Inc.'s charitable purpose includes conducting research and educating the public about the field of impact investing, including how impact investments may be used to address critical social issues, such as helping disadvantaged populations and mitigating the effects of climate change. Calvert Impact, Inc.'s long-term goal is to make the world more equitable and sustainable by developing impact investment solutions based on the results of its research and education efforts. As the Sponsor, Calvert Impact, Inc. will structure the Notes and hold a residual interest in the transaction. The Notes are backed solely by the assets of the Issuer. The Notes are not backed by the assets of the Sponsor or any other affiliate of the Issuer or any other Transaction Party. Calvert Impact, Inc. also serves as the Master Servicer and the Master Portfolio Administrator of the Notes.

The primary impact objective of the issuance of the Notes and the use of their proceeds is to reduce carbon dioxide emissions from commercial buildings. The Notes contribute to this goal by providing affordable permanent financing that can cover 100% of hard and soft costs associated with energy efficiency and renewable energy generation upgrades. Each project financed using the proceeds of the Notes will receive an energy engineering analysis that estimates the baseline performance of the building and the expected savings from the upgrades. Once the upgrades are installed, the Master Servicer will track the buildings' actual performance using a utility monitoring service. The Issuer will make impact data available to noteholders on a semi-annual basis, but utility monitoring data will not be available until construction is completed for the energy efficiency and renewable energy upgrades. In addition, the CPACE Assets purchased using the proceeds of the Notes will include pricing incentives to encourage building owners to achieve higher levels of sustainability. Reduced pricing is available for building owners who meet the CIRRUS Low Carbon standard developed by the New Buildings Institute ("**NBI**") and PACE Equity LLC. The NBI is a nonprofit organization with over 25 years of experience developing sustainable building codes. Its mission is to achieve better buildings that are zero energy and carbon neutral through research, policy, guidance, and market transformation. Buildings that meet the CIRRUS Low Carbon standard have been engineered to be at least

8% more efficient than ASHRAE 90.1 –2016 or its equivalents, thereby putting it on par with one of the most aggressive efficiency standards currently in-use in the U.S., ASRAE 90.1-2019.

Transaction Structure Diagram

This diagram is a simplified overview of the structure of this transaction. You should read this prospectus and the accompanying prospectus supplement completely for more details about this transaction. Entities highlighted in green are 501(c)(3) non-profit corporations.



More information regarding the Issuer and the other parties involved in the offering of the Notes (collectively, the "**Transaction Parties**") and the transactions underlying the Notes is set forth in this prospectus below.

The Issuer

Calvert Impact Climate, Inc., a Delaware charitable nonstock corporation that is tax-exempt as an organization described in Section 501(c)(3) of the Code.

The Sponsor, the Master Servicer and the Master Portfolio Administrator

Calvert Impact, Inc., a Delaware charitable nonstock corporation that is tax-exempt as an organization described in Section 501(c)(3) of the Code. Calvert Impact, Inc. also acts as Master Servicer and Master Portfolio Administrator for all of the CPACE Assets on behalf of the Issuer. The Master Servicer is permitted to delegate, and will delegate, certain servicing duties to one or more subservicers. The Master Portfolio Administrator is permitted to delegate, and has delegated, certain portfolio administration duties to one or more sub-portfolio administrators.

The Seller

PACE Equity Warehouse C, LLC (the "**Seller**"), a Delaware limited liability company, will originate and sell CPACE Assets to the Issuer from time to time pursuant to the CPACE Asset purchase agreement (the "**CPACE Asset Purchase Agreement**") between the Issuer and the Seller. The Seller is a wholly-owned indirect subsidiary of PACE Equity LLC, a Wisconsin limited liability company ("**PACE Equity**"), which has performed and will perform a variety of other functions with respect to the origination of the CPACE Assets pursuant to that certain PACE Asset Master Purchase and Sale Agreement, dated August 7, 2020, between the Seller and PACE Equity.

The Subservicer and Sub-Portfolio Administrator

PACE Equity will act as subservicer (the "**Subservicer**") pursuant to the Subservicing Agreement among the Master Servicer, the Subservicer and the Backup Subservicer (the "**Subservicing Agreement**"). PACE Equity will also act as sub-portfolio administrator (the "**Sub-Portfolio Administrator**") pursuant to the Sub-Portfolio Administration Agreement between the Master Portfolio Administrator and the Sub-Portfolio Administrator (the "**Sub-Portfolio Administration Agreement**").

The Backup Subservicer

Willdan Financial Services (the "**Backup Subservicer**") is a California corporation and will serve as backup subservicer pursuant to the Subservicing Agreement.

The Indenture Trustee

U.S. Bank Trust Company, National Association is a national banking association. U.S. Bank Trust Company, National Association will serve as indenture trustee (in such capacity, the "**Indenture Trustee**") and as paying agent (in such capacity, the "**Paying Agent**") pursuant to the indenture relating to the Notes among the Issuer, U.S. Bank National Association, as bank (the "**Bank**"), the Master Servicer, the Paying Agent and the Indenture Trustee (the "**Base Indenture**"), as supplemented for each Series by a notes issuance supplement among the Issuer, the Bank, the Paying Agent and the Indenture Trustee (each, a "**Notes Issuance Supplement**" and, the Base Indenture as so supplemented by the applicable Notes Issuance Supplement(s), and as may be amended, restated, supplemented or otherwise modified in writing from time to time, the "**Indenture**").

Custodian

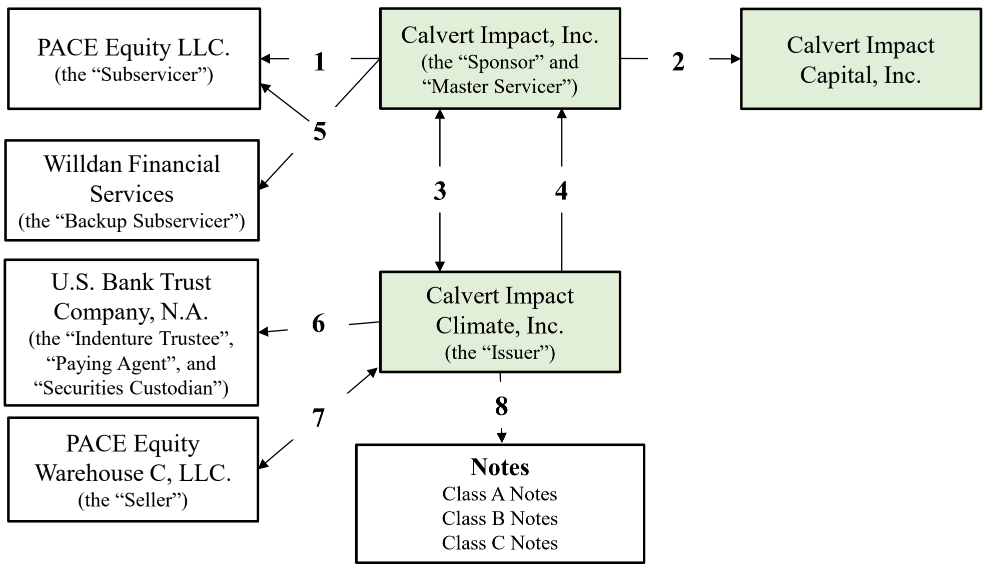
U.S. Bank National Association (the "**Custodian**") is a national banking association. U.S. Bank National Association will serve as custodian and will perform the custodial services with respect to the CPACE Assets (excluding the Physical Securities (as defined below)) pursuant to the custodial agreement (the "**Custodial Agreement**") among the Issuer, the Indenture Trustee and the Custodian.

Securities Custodian

U.S. Bank Trust Company, National Association (in such capacity, the "**Securities Custodian**") will serve as securities custodian and will perform the custodial services with respect to the physical CPACE Assets that are securities delivered in certificated form (the "**Physical Securities**"), and is authorized to hold the Physical Securities on behalf of the Issuer pursuant to the securities custodial agreement (the "**Securities Custodial Agreement**") among the Issuer, the Indenture Trustee and the Securities Custodian.

Transaction Parties and Documents Diagram

This diagram is a simplified overview of the key transaction parties and documents associated with this offering. You should read this prospectus completely, including "Description of the Transaction Documents" and "Description of the Notes" for more details about the roles of each transaction party and each transaction document.



1. Portfolio Sub-Administration Agreement

- Under delegated authority from Master Servicer, PACE Equity LLC performs main administrative functions associated with CPACE Assets, including borrower relationship management, monitoring, and reporting.

2. Shared Services and Cost Reimbursement Agreement

- Calvert Impact Capital provides impact monitoring, management, and reporting in connection with the Cut Carbon Notes

3. Grant Agreement

- Sponsor provides grants to Issuer to meet overcollateralization requirements, fund the Liquidity Reserve Account, cover transaction costs, and create eligible residual interest for the purposes of risk retention.
- On each Distribution Date, Issuer pays to Sponsor all Available Funds remaining after the applicable priority of payments.

4. Master Servicing and Portfolio Administration Agreement

- Calvert Impact, Inc. has primary responsibility for servicing the CPACE Assets but delegates certain functions to Subservicer.

5. Subservicing Agreement

- Under delegated authority from Master Servicer, PACE Equity LLC performs main servicing functions associated with CPACE Assets, including processing of disbursements and collections.
- Willdan Financial Services appointed as Backup Subservicer. Immediately assumes servicing duties in the event of a Subservicer Termination Event.

6. Indenture

- U.S. Bank Trust Company appointed as Indenture Trustee.
- Maintains all bank accounts of Issuer.
- Issuer pledges all assets to secure payment of the notes.
- On each Distribution Date, Indenture Trustee applies available funds to pay expenses of the Issuer and make payments on the notes.

7. CPACE Asset Purchase and Sale Agreement

- Issuer agrees to purchase eligible CPACE Assets from Seller.
- Seller makes representations as to the eligibility of the CPACE Assets.

8. Cut Carbon Note Prospectus and Prospectus Supplements

- Issuer offers Cut Carbon Notes on the terms described in the prospectus and related prospectus supplements.

The Issuer will use the proceeds from the Notes to acquire CPACE Assets originated by PACE Equity LLC, a Wisconsin limited liability company. The CPACE Assets will be owned by PACE Equity Warehouse C, LLC (the "**Seller**"), an indirect subsidiary of PACE Equity, until they are ready for sale to the Issuer.

Since beginning operations in 2014, PACE Equity has originated over $626M in closed CPACE financing across 148 projects. Its management team has more than 100 years of combined expertise in the areas of financing, operations, and marketing. Its Vice President – Portfolio Management has more than 20 years of experience in the areas of loan administration and construction disbursement management. PACE Equity's corporate officers have contributed to the development of the CPACE industry since its formative stages. The Sponsor, in its role as Master Servicer, has appointed PACE Equity as the "**Subservicer**" of the Issuer's CPACE Assets and the "**Sub-Portfolio Administrator**" of the Issuer's CPACE Assets. This means that PACE Equity will continue to service and administer the portfolio of the CPACE Assets after they have been acquired by the Issuer. PACE Equity's servicing responsibilities will include certain payment and disbursement activities, data collection and analysis on the CPACE Assets, customer service for building owners, and monitoring and reporting on the CPACE Assets.

The CPACE Assets acquired with the proceeds from the Notes will be the Issuer's principal assets. The Issuer will not engage in any activities other than those described in this prospectus, in the related prospectus supplement, and in the formation documents of the Issuer.

The CPACE Assets acquired by the Issuer will be structured as fully amortizing loans with tenors of up to 33 years, inclusive of interest-only periods of up to three years. Building owners repay their CPACE financing on the same schedule as regular property taxes. Depending on the jurisdiction, payments will either be annual or semi-annual.

U.S. Bank Trust Company, National Association will serve as the Indenture Trustee, the Paying Agent and the Securities Custodian. U.S. Bank National Association will serve as the Custodian for the Notes. The Custodian will hold the CPACE Assets (excluding any physical CPACE Asset held by the Securities Custodian) and the Indenture Trustee, or an affiliate thereof, will hold the accounts of the Issuer as collateral for noteholders. The Issuer's accounts include the "**Collection Account**", which holds payments received from the CPACE Assets, and the "**Liquidity Reserve Account**", which holds reserve funds to cover the Issuer's expenses, including payment of interest on the Notes. The Subservicer will cause all payments of interest, principal, and any other amounts due on the CPACE Assets to be deposited in the Collection Account.

The Issuer is offering multiple "**Classes**" of Notes that may have different terms and credit ratings. For example, if there are losses on the CPACE Assets, certain Classes may be structured to absorb those losses before others. More detail on the note Classes and the allocation of losses is available in the related prospectus supplement.

The Issuer plans to issue Notes from time to time, in connection with its purchase of CPACE Assets from the Seller. Each issuance would constitute a new "**Series**" of Notes. The prospectus supplements will describe terms specific to each Series and the characteristics of the CPACE Assets being acquired at that time. All noteholders will have recourse to all CPACE Assets owned by the Issuer, including CPACE Assets previously acquired by the Issuer.

Interest on the Notes will accrue on a "30/360" basis at fixed rates that may vary by Class and Series. The timing and amount of principal payments on the Notes will be based on the principal payments actually collected on the CPACE Assets. In general, provided any applicable overcollateralization requirements have been met, there will be a one-to-one relationship between principal collections on the CPACE Assets and principal payments made to noteholders. The legal final maturity date for all Classes and Series of Notes is December 15, 2053. The related prospectus supplement provides more detail on the interest rates and overcollateralization requirements for the Notes.

The Notes

The Issuer may issue Notes on any given date of issuance (each, a "**Closing Date**"), in one or more existing or new Series. The Notes will represent indebtedness of the Issuer.

Each Series of Notes may have a different interest rate. The related prospectus supplement will specify the interest rate for the Notes in a given Series by the Issuer.

Notes of separate Series may also have different amounts of principal or interest or both.

Trust Property

The collateral for the Notes may consist of the assets owned by the Issuer set forth under the caption "*Description of the Notes—The Trust Property*" below.

Cutoff Date

As described in the related prospectus supplement, the Issuer will receive amounts collected on the CPACE Assets after one or more cutoff dates (each, a "**Cutoff Date**") relating to such CPACE Assets. With respect to each Series, after the related Cutoff Date the amounts collected on the CPACE Assets will be available to make payments on the Notes, among other things. The Cutoff Date for any particular Series will be specified in the related prospectus supplement.

Distribution Date

The Notes will pay principal and/or interest on specified "**Distribution Dates**." Distribution Dates will occur semi-annually, on the fifteenth day of each June and December. If any Distribution Date is not a business day, then the distribution due on that date will be made on the next business day. The first Distribution Date was on December 15, 2023. Only holders of record as of the Record Date will receive payments on the related Distribution Date.

A business day is a day other than a Saturday, Sunday or any other day on which commercial banks located in Maryland, Delaware, Minnesota, Ohio, or New York or the location in which the corporate trust office of the Indenture Trustee under the Indenture are authorized or obligated to be closed.

Record Date

The record date for each Distribution Date is the close of business on the business day immediately preceding that Distribution Date (the "**Record Date**"). The Indenture Trustee will fix the identity of noteholders as of the Record Date. Noteholders whose identities are fixed on this date will receive payments on the next succeeding Distribution Date.

Collection Period

The collection period for each Distribution Date will be the six calendar months immediately preceding the calendar month in which that Distribution Date occurs. The Master Servicer or a designated subservicer will remit collections received in respect of a collection period to the Indenture Trustee prior to the related Distribution Date for allocation and/or distribution on or in connection with that Distribution Date.

Distribution Date Payments

On or prior to each Distribution Date, the Master Servicer will instruct the Indenture Trustee to make distributions on such Distribution Date from Available Collections and the amounts withdrawn from the Liquidity Reserve Account in the order of priority set forth under the section of this prospectus entitled "*Distribution Date Payments—Distribution Date Payments in the Ordinary Course*."

Post-Default Application of Funds

Amounts collected (i) following the occurrence of an Event of Default (other than an Event of Default related to a breach of a covenant or a representation and warranty) or (ii) upon liquidation of the trust assets, will be distributed in accordance with the priorities set forth under the section of this prospectus entitled "*Distribution Date Payments—Distribution Date Payments after an Event of Default*."

Credit Enhancement

As described under the caption "*Description of the Notes—Credit Enhancement*" below and further specified in the related prospectus supplement, credit enhancement for the Notes may include any one or more of the following:

- a liquidity reserve account;
- overcollateralization; and
- excess cashflow.

Book-entry Securities

The Issuer will issue the Notes as global securities registered in the name of Cede & Co. as nominee of The Depository Trust Company, or another nominee. Noteholders will not receive definitive securities representing their interests. Notes may be purchased by investors through any selected dealer participating in the selling group for the Notes. Institutional investors may purchase Notes directly from InspereX or a selected dealer.

Distribution of Notes

The Issuer will offer the Notes through InspereX as Lead Agent. The Issuer may appoint other agents to offer the Notes and InspereX may re-offer the Notes through a network of broker-dealers that have entered into selling agreements with InspereX. InspereX and the other agents appointed by Issuer are not required to purchase or sell any specific amount of Notes and shall offer the Notes on a reasonable best-efforts basis.

Noteholder Consents and Decision-Making

As described more fully in this prospectus and the related prospectus supplement, the Issuer or other Transaction Parties may not take certain actions without obtaining prior consent from noteholders. Depending on the action, the applicable Transaction Party may be required to obtain consent from one of the following groups of noteholders:

- all affected noteholders;
- the holders of sixty-six and two-thirds percent (66 2/3%) in principal amount of the outstanding Notes (the "**Super-Majority Noteholders**");
- the holders of a majority in principal amount of the outstanding Notes (the "**Majority Noteholders**"); or
- the holders of a majority in principal amount of the junior-most Class of Notes then-outstanding (the "**Majority Controlling Class Noteholders**")

Optional Termination

As described in this prospectus, the Master Servicer, or if the related prospectus supplement specifies, other entities, may, at its option, cause the early retirement of a Series of Notes. See "*Description of the Transaction Documents—The Indenture—Optional Redemption of the Notes*."

Tax Status

Morgan, Lewis & Bockius LLP, as special tax counsel to the Issuer will deliver an opinion on each Closing Date that (i) when issued, the Notes issued on such date will be characterized as debt for U.S. federal income tax purposes, except to the extent such Notes are beneficially owned by the Issuer or an entity which for U.S. federal income tax purposes is considered the same person as the Issuer, (ii) neither the Issuer nor any portion thereof will be classified as a taxable mortgage pool taxable as a corporation and the Issuer will not be subject to entity level tax, in each case for U.S. federal income tax purposes and (iii) the Issuer has been determined by the Internal Revenue Service (the "**IRS**") to be exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

If you purchase Notes or a beneficial interest therein, you agree by your purchase that you will treat such Notes as debt for all U.S. federal, state and local income and franchise tax purposes. You should consult with your own tax advisor regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes or beneficial interests therein, and the tax consequences under the laws of any state or other taxing jurisdiction. For more information on the material U.S. federal income tax considerations related to the purchase, ownership and disposition of the Notes, see *"U.S. Federal Income Tax Considerations*" in this prospectus.

ERISA and Related Considerations

Subject to the considerations set forth in "*ERISA and Related Considerations*" in this prospectus, the Notes may generally be acquired by employee benefit plans or other retirement arrangements subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or Section 4975 of the Code, or any plans subject to laws that are substantially similar to Title I of ERISA and Section 4975 of the Code. A fiduciary of an employee benefit plan or other retirement arrangement must determine that the acquisition of a Note is consistent with its fiduciary duties under applicable law and does not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any substantially similar law. See "*ERISA and Related Considerations*" in this prospectus.

Ratings

Each issuance of Notes offered by a prospectus supplement will be rated by one or more nationally recognized statistical rating organizations engaged to rate the Notes. The ratings are not a recommendation to purchase, hold or sell the Notes and do not address the market price or suitability of the Notes for a particular investor. The ratings address the likelihood of timely payment of interest and the ultimate payment of principal on the Notes according to their terms. The ratings do not address the rate of prepayments that may be experienced on the CPACE Assets or the effect of the rate of prepayments on the return of principal to noteholders. An engaged rating agency, in its discretion, may lower, qualify or withdraw its rating as to any Note at any time. Any withdrawal of a rating may have an adverse effect on the liquidity and resale price of the Notes. No transaction party will be responsible for monitoring any changes to the rating on the Notes. No person or entity will be obligated to provide any additional credit enhancement with respect to the Notes.

Summary Financial Information

The following table sets out certain summary financial information of the Issuer derived from the audited financial information included in this prospectus.

Selected Financial Data	12/31/2022	12/31/2023
Total Assets	$5,000,000	$34,652,058
Total Liabilities	$0	$29,625,978
Net Assets	$5,000,000	$5,026,080
Support and Revenue	$5,000,000	$433,667
Expenses	$0	$407,587
Change in Net Assets	$5,000,000	$26,080

Risk Factors

This section and the section under the caption "*Risk Factors*" in the related prospectus supplement describe the principal risk factors associated with an investment in any Note. You should consider these risk factors prior to any purchase of any Note.

Risks Related to the Notes

The Notes are payable from all assets of the Issuer but secured by limited collateral.

The Notes are secured primarily by the CPACE Assets. The CPACE Assets are secured by and payable from collections on specific assessments voluntarily levied on specific commercial properties and payable only by the related property owners.

The Notes will be obligations of the Issuer only and do not evidence an obligation of, or an interest in, any municipality, any issuer of CPACE Bonds (a "**CPACE Bond Issuer**"), the Seller, the Sponsor, Calvert Impact Capital, Inc., the Indenture Trustee, the Custodian, the Securities Custodian, any CPACE originator, PACE Equity, any other transaction party or any of their respective affiliates. The Notes are neither insured nor guaranteed by any of the above entities nor any governmental agency or private trust. The primary source of payment on the Notes will be interest and principal collections from the CPACE Assets.

If the protections afforded by the limited assets of the Issuer available for payments on the Notes are insufficient, then the noteholders could experience a loss on their investment. In particular, if any relevant property owners are delinquent in paying the assessments relating to the relevant CPACE Assets, there may not be sufficient funds available to pay interest or principal due on the related CPACE Assets. As a result, the Issuer may not receive sufficient funds in any collection period to pay the interest due on the Notes on the related regularly scheduled payment date or the principal due on the Notes on their final scheduled maturity. Were that to occur, you may experience delays in payments, reduced yields and/or losses on your Notes.

The Issuer will maintain certain transaction-specific accounts. These accounts (including funds on deposit therein) are controlled by the Indenture Trustee pursuant to the Indenture and secure the Notes and the other obligations of the Issuer under the Indenture. There can be no assurance, however, that the funds on deposit in those accounts will be sufficient to fund any shortfall in amounts due and payable on your Notes.

No sinking fund has been made or will be made to secure repayment of the principal of the Notes or to secure payment of accrued interest.

The Notes may be riskier than other notes or debt instruments for which a sinking fund is established, and the Issuer's ability to repay the principal and interest on the Notes will depend on the Issuer's receipt of payments of assessments relating to the relevant CPACE Assets.

There is not expected to be any secondary market in the Notes.

The Notes will not be listed for sale on any securities exchange. Dealers may elect to serve as liquidity providers and facilitate a secondary market in the Notes. However, there is no assurance that dealers will elect to serve as liquidity providers. In addition, limitations on the transfer of the Notes may be imposed under applicable securities laws. The Notes may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a result, there is no trading market for the Notes at present. Investors should therefore consider the Notes as an investment to be held until maturity.

There is expected to be no secondary market for the Notes. InspereX and other brokers and dealers may be unwilling or unable to facilitate trading of the Notes. We cannot assure you that a secondary market will develop or, if it does develop, that such market will provide noteholders with sufficient liquidity of investment at any time during the period for which your Notes are outstanding.

On November 27, 2023 the Securities and Exchange Commission (the "**SEC**") adopted new Rule 192 under the Securities Act, which will prohibit, for a specified period of time, a securitization participant from engaging, directly or indirectly, in any transaction that would involve or result in any material conflict of interest between the securitization participant and an investor in the relevant securities, subject to certain exceptions. Compliance with the new rule will be required with respect to any asset-backed security the first closing of the sale of which occurs 18 months after publication of the new rules in the Federal Register. It is unclear what impact such rule will have on the securitization market and whether or not the Notes issued prior to the compliance date, which are not subject to the requirements under the rule, may be less marketable than those securities that may be offered after the rule takes effect.

The interest rate applicable to a Note is set at the time of issuance, which may result in a decline in value in a rising interest rate environment.

Interest rates offered for the Notes will be fixed for the term of the Notes, as set forth in the relevant pricing supplement, based on market conditions and other relevant factors at the time of issuance. Should interest rates rise, the Issuer is not legally obligated to pay a higher rate or to redeem the principal of a Note prior to its maturity. Risks of investment in the Notes may be greater than implied by a relatively low interest rate on the Notes.

Noteholders may have limited control over amendments, modifications and waivers to the Transaction Documents.

Certain amendments, modifications or waivers to and consents or instructions to be given under the Indenture require the consent of holders of a certain portion of the Notes (for example a majority or super-majority percentage of the Notes). Other amendments, modifications or waivers or consents may be granted, or instructions may be given, by the Issuer and the Indenture Trustee, as applicable, without notice to or the consent of any noteholders. As a result, certain amendments, modifications or waivers to and consents or instructions to be given under the Indenture may be effected without any beneficial owner's consent. A noteholder seeking an amendment does not have a right to discover the identity of the other noteholders, which may adversely affect such noteholder's ability to influence whether other noteholders give approvals, consents or instructions under the Indenture and in relation to any other Transaction Documents.

The Notes will be issued in book-entry form, which may decrease liquidity, delay payment or have other adverse consequences.

The Notes initially will be represented by one or more Notes registered in the name of Cede & Co., as the nominee for DTC and will not be registered in any noteholder's name. So long as such Notes are in book-entry form, the related noteholders will not be entitled to receive definitive Notes. Such Notes will remain in book-entry form except in the limited circumstances described under the caption "*Description of the Notes—Book-Entry Registration*" below. Unless and until the Notes cease to be held in book-entry form, the related transaction parties will not recognize the related noteholders as holders of the related securities. As a result, such noteholders will only be able to exercise their rights as noteholders indirectly through DTC and its participating organizations and their participating organizations.

A noteholder's ability to pledge or transfer the Notes to persons that do not participate in the DTC system, or to otherwise take action relating to its book-entry notes, may be limited due to the lack of a physical security representing the Notes.

A noteholder's access to information regarding the Notes may be limited since conveyance of notices and other communications by DTC to its participating organizations, and directly and indirectly through those participating organizations to such a noteholder, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect at that time.

A noteholder may experience difficulties in identifying or communicating with other investors in Notes for the purpose of exercising remedies, taking collective action or otherwise.

A noteholder's receipt of payments of interest and principal on the Notes because distributions will be made by the Indenture Trustee to Cede & Co., as nominee for DTC, rather than directly to such noteholder, who then will be required to credit those distributions to the accounts of its participating organizations, who then will be required to credit those amounts to such noteholder's account. Misapplication of payments by DTC, DTC participants or indirect DTC participants or bankruptcy or insolvency of those entities, may delay crediting of those amounts to such noteholder's account. A noteholder's recourse in relation to misapplications and delays will be limited to their remedies against those entities.

Voluntary or involuntary prepayments of CPACE Assessments may result in prepayment of CPACE Bonds, and early repayment of the Notes.

Unlike standard corporate bonds, payments on the Notes will not be made on the basis of a fixed or scheduled amount and will be affected by the amount, rate and timing of principal and interest collections (including prepayments, defaults and liquidations) on the CPACE Assessments and any related CPACE Bonds, as applicable.

The rate of principal prepayments and realized losses on the CPACE Assessments, and any related CPACE Bonds, will affect the yield to maturity on Notes purchased at a discount or at a premium. Low prepayment rates on the CPACE Assessments will delay the application of principal payments on the CPACE Assessments and any related CPACE Bonds, and may adversely affect the yield on Notes purchased at a discount to par. Conversely, high prepayment rates on the CPACE Assessments will accelerate the application of such principal payments and may adversely affect the yield on Notes purchased at a premium.

The agreements pursuant to which property owners have agreed to the imposition of CPACE Assessments on their properties may permit such property owners to prepay the CPACE Assessments in full or in part, without penalty. Such prepayments might be occasioned by the sale or refinancing of the related property, or for other reasons specific to the property owner's own financial planning. If property owners prepay any installments due in relation to their CPACE Assessments, then such amounts are to be paid to any applicable CPACE Bond Issuer. The portions of such payments that are payable to a holder of the CPACE Bonds will be deposited into the Collection Account as early redemption amounts on the corresponding CPACE Bonds. Prepayments of CPACE Assessments will result in early redemption of CPACE Bonds, in whole or in part, and potentially early redemption of the Notes, potentially adversely affecting their aggregate yield.

In addition, for projects that are not completed or are cancelled, or projects that are partially completed or completed under budget, the undisbursed proceeds may result in an early repayment of certain CPACE Bonds, in whole or in part, which may result in the availability of additional principal amounts to pay the Notes sooner than anticipated.

Optional or mandatory redemption of your Notes could cause you to be paid earlier than you expect, which may adversely affect your yield to maturity and which may expose you to reinvestment risk.

One or more Notes issued on any issuance date may be subject to optional or mandatory redemption in whole or in part, either on or after a specified date or on or after the time when the aggregate outstanding principal amount of the CPACE Assets or of the Notes is less than a specified amount or percentage. The conditions under which an optional or mandatory redemption of all or a portion of Notes of any particular issuance may be effected are set forth in this prospectus under the caption "*Description of the Transaction Documents—The Indenture—Optional Redemption of the Notes*."

If you purchase a Note at a premium based on your expectations as to its maturity or weighted average life, and the Note is redeemed earlier than you expected, your yield will be reduced and you may not recover the premium you paid. Similarly, if you purchase a Note at a discount based on your expectations as to its maturity or weighted average life, and the Note is redeemed later than you expected, your yield will be lower than you anticipated.

Furthermore, since prevailing interest rates may fluctuate, we cannot assure you that you will be able to reinvest these amounts at a yield equaling or exceeding the yield on your Notes. You will bear the risk of having to reinvest unscheduled distributions resulting from a redemption of your Notes.

The return on your Notes may be reduced due to varying economic circumstances.

The ability of the Issuer to make payments on your Notes will be affected by conditions in the market for, and performance of, the real estate market as well as global economic conditions. Among other things, deterioration in economic conditions could adversely affect the ability and willingness of obligors of the CPACE Assets to meet their payment obligations under the CPACE Assets. The economic conditions could deteriorate in connection with an economic recession or other events such as rising oil prices, housing value declines, high inflation, terrorist events, pandemics, geopolitical conflicts and wars (such as the ongoing wars between Ukraine and Russia and between Israel and Hamas), extreme weather conditions, outbreaks of illnesses, pandemics like COVID-19, or other local or global health issues, political uncertainties (including those resulting from a presidential election year), or an increase of an obligor's payment obligations under other indebtedness incurred by the obligor. As a result, you may experience payment delays and losses on your Notes. An improvement in economic conditions could result in prepayments by the obligors of their payment obligations under the CPACE Assets. As a result, you may receive principal payments of your Notes earlier than anticipated. No prediction or assurance can be made as to the effect of an economic downturn or economic growth on the rate of delinquencies, prepayments and/or losses on the CPACE Assets, and any of the foregoing could have a material adverse effect on the resale value of asset-backed securities and/or the ability of obligors to repay the related CPACE Assets, which could result in delays in payment of the Notes or otherwise have a material adverse effect on the resale value of the Notes.

The Russian Federation invaded Ukraine on February 24, 2022. Geopolitical tensions have risen significantly in response and the United States, the United Kingdom (the "**UK**"), European Union (the "**EU**") member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, and various designated parties. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long they will last. Economic and military sanctions related to the Russian Federation-Ukraine conflict, or other conflicts, have the potential to gravely impact markets, global supply and demand, import/export policies, and the availability of labor in certain markets. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. The foregoing could have a material adverse effect on the resale value of asset-backed securities and/or the ability of obligors to repay the related CPACE Assets, which could result in delays in payment of the Notes or otherwise have a material adverse effect on the resale value of the Notes. The Notes may be issued with original issue discount, which may require a U.S. note owner to pay taxes on the related income even before such U.S. note owner receives cash attributable to that income.

The Notes may be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. If a note is issued with OID, a U.S. Holder (as defined under "*U.S. Federal Income Tax Considerations*" in this prospectus) generally will be required to accrue OID on a current basis as ordinary income and pay tax accordingly, even before such U.S. Holder receives cash attributable to that income and regardless of such U.S. Holder's method of tax accounting. For further discussion of the computation and reporting of OID, see "*U.S. Federal Income Tax Considerations—Taxation of U.S. Holders— Taxation of Stated Interest and Original Issue Discount*" in this prospectus.

Noteholders have no recourse against the Sponsor for losses.

The Issuer and the noteholders will have no recourse against the Sponsor other than (i) for breaches of certain representations and warranties with respect to the CPACE Assets and (ii) for certain breaches of the Sponsor's obligations as Master Servicer under the Transaction Documents. The Notes represent obligations solely of the Issuer. Unless explicitly set forth in the related prospectus supplement, no Notes will be guaranteed, in whole or in part, by the Sponsor, the Master Servicer, the Master Portfolio Administrator, Calvert Impact Capital, Inc., the Seller, the Indenture Trustee, the Custodian, the Securities Custodian or any other party. Consequently, if payments on the CPACE Assets, and to the extent available, any credit enhancement, are insufficient to pay the Notes in full, you will have no rights to obtain payment from the Sponsor or its affiliates.

A reduction, withdrawal or qualification of the ratings on the Notes, or the issuance of unsolicited ratings on the Notes, may adversely affect the resale value of your Notes and/or limit your ability to resell your Notes. The ratings assigned to your Notes may be lowered or withdrawn at any time.

The Sponsor has engaged one rating agency and will pay it a fee to assign ratings on the Notes. Such rating agency may have a conflict of interest where, as is the industry standard and the case with the ratings of the Notes, the Sponsor or the Issuer pays the fees charged by such rating agency for its ratings services. Other than the rating agency specified in the accompanying prospectus supplement, the Sponsor has not engaged any other nationally recognized statistical rating organization (a "**NRSRO**") to assign a rating on the Notes and is not aware that any other NRSRO has assigned ratings on the Notes. The rating agency engaged may not issue ratings for each Series of Notes. Under effective SEC rules, information provided by or on behalf of the Sponsor to an engaged rating agency for the purpose of assigning or monitoring the ratings on the Notes is required to be made available to all NRSROs in order to make it possible for non-engaged NRSROs to assign unsolicited ratings on the Notes. An unsolicited rating could be assigned at any time, including prior to any particular Closing Date, and none of the Sponsor nor any of its affiliates will have any obligation to inform you of any unsolicited ratings assigned after the date of this prospectus. NRSROs, including the engaged rating agency, have different methodologies, criteria, models and requirements. If any non-engaged NRSRO assigns an unsolicited rating on the Notes, there can be no assurance that such rating will not be lower than the ratings provided by the engaged rating agency, which may adversely affect the resale value of your Notes and/or limit your ability to resell your Notes. In addition, if the Sponsor fails to make available to the non-engaged NRSROs any information provided to the engaged rating agency for the purpose of assigning or monitoring the rating on the Notes, the engaged rating agency could withdraw its ratings on the Notes, which may adversely affect the resale value of your Notes and/or limit your ability to resell your Notes.

Potential investors in the Notes are urged to make their own evaluation of the Notes, including the credit enhancement on the Notes, and not to rely solely on the ratings on the Notes in making their investment decisions.

The ratings assigned to the Notes will be based on, among other things, the adequacy of the assets of the Issuer and any credit enhancement for the Notes. Any rating which is assigned may not remain in effect for any given period of time or may be lowered or withdrawn entirely by the related rating agency if, in its judgment, circumstances in the future so warrant.

The Notes are being offered in reliance on exemptions from registration under the federal securities laws and under the securities laws of certain states in which the Issuer is offering the Notes. If it is determined that the Notes are not exempt from federal and/or state securities laws, the Issuer may be required to make rescission offers and may be subject to other penalties for which the Issuer may not have the funds available.

The offering described in this prospectus is being made in reliance upon exemptions from registration under federal securities laws, including exemptions under Section 3(a)(4) of the Securities Act and 3(c)(10) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and the exemptions from registration of the securities of nonprofit charitable organizations provided by the laws of certain states in which the Notes are offered. Reliance on these exemptions does not, however, constitute a representation or guarantee that such exemptions are indeed available. The Issuer may seek to qualify, register, or otherwise obtain authorization for the offering in certain other states where the Issuer believes such qualification, registration or other authorization is required. If, for any reason, the offering is deemed not to qualify for exemption from registration under the nonprofit securities exemptions referred to above (and if no other exemption from registration is available), and the offering is not registered with the applicable federal or state authorities, the sale of the Notes will be deemed to have been made in violation of the applicable laws requiring registration. In the event of such a violation, penalties and fines may be assessed against the Issuer, and investors will typically have the right to rescind their purchase and to have their purchase price returned, together with interest at statutorily prescribed rates. If investors request the return of their investment, funds may not be available to the Issuer for that purpose, and the Issuer may be unable to repay all investors in any affected states. A significant number of requests for rescission could leave the Issuer without funds sufficient to respond to rescission requests.

If the SEC or a court of competent jurisdiction were to find that the Issuer was required, and in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following:

- an application by the SEC to a district court to enjoin the violation; and
- any contract to which the Issuer is party that was made in violation of the Investment Company Act, or whose performance involves such violation, being unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement (a) would produce a more equitable result than non-enforcement and (b) would not be inconsistent with the purposes of the Investment Company Act.

Should the Issuer be subjected to any or all of the foregoing, the Issuer and the holders of the Notes could be materially and adversely affected.

Combination or "layering" of multiple risk factors may significantly increase your risk of loss.

Although the various risks discussed in this prospectus and the related prospectus supplement are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There are many circumstances in which layering of multiple risks with respect to the CPACE Assets and the Notes may magnify the effect of those risks. In considering the potential effects of layered risks, you should carefully review the descriptions of the CPACE Assets and the Notes.

There is no legal, regulatory or market definition of or standardized criteria for what constitutes a "green," "environmental," "social," "sustainable" or other similarly labeled project, and any such designations made by third parties with respect to the Cut Carbon Notes may not be suitable for the investment criteria of an investor.

There is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green," "environmental," "social," "sustainable" or similarly labeled project, or as to what precise attributes are required for a particular project to be defined as "green," "environmental," "social," "sustainable" or such other equivalent label, and nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects selected to receive an allocation of funds from the net proceeds of the Notes will meet any or all investor expectations regarding such "green," "environmental", "social," "sustainable" or other similarly-labeled performance objectives, or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects funded in whole or in part by the net proceeds from the sale of the Notes.

Prospective investors should carefully review the information set out in this prospectus and the related prospectus supplement regarding such use of such net proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary. In particular, no assurance is given by us, any broker, any dealer, or the trustee that the use of an amount equal to such net proceeds from the Notes to fund any projects will satisfy (or will continue to satisfy), whether in whole or in part, any present or future investor expectations or requirements, taxonomies or standards or other investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own bylaws or other governing rules or investment portfolio mandates, ratings mandates or other independent expectations, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects. Any failure by us to allocate an amount equal to the net proceeds from the sale of the Notes to one or more projects or the failure of those investments or financings to satisfy investor expectations or requirements could materially and adversely affect the trading price of the Notes.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by us) that may be made available in connection with the issuance of the Notes and, in particular, with respect to whether any projects fulfill any green, environmental, social, sustainability and/or other criteria. For the avoidance of doubt, any such opinion or certification is not and shall not be deemed to be incorporated into and/or form part of this prospectus and the related prospectus supplement. Any such opinion or certification is not, nor should be deemed to be, a recommendation by us or any underwriter, the trustee or any other person to buy, sell or hold the Notes. Any such opinion or certification is only current as of the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. As of the date of this prospectus and the related prospectus supplement, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any withdrawal of any such opinion or certification or any additional opinion or certification attesting that we are not complying in whole or in part with any matters for which such opinion or certification is opining or certifying may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose.

Certain European Economic Area investors are subject to securitization rules, which may have an adverse impact on the value and liquidity of the Notes.

Regulation (EU) 2017/2402 of the European Parliament and of the Council of December 12, 2017 (as amended, the "**EU Securitization Regulation**") has direct effect in member states of the EU and is expected to be implemented by national legislation in other countries in the European Economic Area (the "**EEA**").

The EU Securitization Regulation, together with (a) all relevant regulatory technical standards and implementing technical standards in relation thereto and (b) any relevant guidance published in relation thereto by the European Banking Authority, the European Securities and Markets Authority and/or the European Insurance and Occupational Pensions Authority (or, in each case, any predecessor or replacement authority) or by the European Commission, in each case, as amended, supplemented or replaced from time to time, are referred to in this prospectus as the "**EU Securitization Rules**".

EU Due Diligence Requirements: Article 5 of the EU Securitization Regulation places certain conditions (the "**EU Due Diligence Requirements**") on investments in a "securitisation" (as defined in the EU Securitization Regulation) by any "institutional investor", defined in the EU Securitization Regulation to include (a) an insurance undertaking or a reinsurance undertaking, each as defined in Directive 2009/138/EC, (b) with certain exceptions, an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorized entity appointed by such an institution as provided in that Directive, (c) an alternative investment fund manager as defined in Directive 2011/61/EU that manages and/or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities ("**UCITS**") management company, as defined in Directive 2009/65/EC, or an internally managed UCITS, which is an investment company that is authorized in accordance with that Directive and has not designated such a management company for its management and (e) a credit institution or an investment firm as defined in Regulation (EU) No 575/2013 (as amended, the "**EU CRR**"). The EU Due Diligence Requirements also apply to certain consolidated affiliates, wherever established or located, of entities that are subject to the EU CRR (such affiliates, together with all such institutional investors, each an "**EU Affected Investor**").

The EU Due Diligence Requirements provide that, prior to investing in (or otherwise holding an exposure to) a securitization, an EU Affected Investor, other than the originator, sponsor or original lender (each as defined in the EU Securitization Regulation) must, among other things, (a) verify that, where the originator or original lender is not established in the EU, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that, if not established in the EU, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, will not be less than 5%, determined in accordance with Article 6 of the EU Securitization Regulation, and discloses the risk retention to institutional investors, (c) verify that the originator, sponsor or securitization special purpose entity ("**SSPE**") has, where applicable, made available the information required by Article 7 of the EU Securitization Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) in accordance with the frequency and modalities provided for in such article and (d) carry out a due-diligence assessment which enables the EU Affected Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitization position and the underlying exposures, and (ii) all the structural features of the securitization that can materially impact the performance of the securitization position.

The EU Due Diligence Requirements also provide that, while holding a securitization position, an EU Affected Investor must (a) establish appropriate written procedures in order to monitor, on an ongoing basis, its compliance with the foregoing requirements and the performance of the securitization position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body to enable adequate management of material risks, and (d) be able to demonstrate to its regulatory authorities that it has a comprehensive and thorough understanding of the securitization position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitization position and maintaining records of the foregoing verifications and due diligence and other relevant information.

It remains unclear what is and will be required for EU Affected Investors to demonstrate compliance with various aspects of the EU Due Diligence Requirements.

Failure by an EU Affected Investor to comply with the EU Due Diligence Requirements with respect to an investment in the Notes may result in the imposition of a penalty regulatory capital charge on that investment or other regulatory sanctions and/or remedial measures being imposed or taken by such investor's competent authority.

EU Credit-Granting Requirements: With respect to credit granting standards for the purposes of the EU Due Diligence Requirements, EU Affected Investors may wish to review the information set forth under "*PACE Equity's CPACE Program—Credit Underwriting*" in this prospectus and/or to consult other sources of information.

EU Risk Retention Requirements: Certain aspects of the requirement for an originator, sponsor or original lender to retain a material net economic interest in accordance with Article 6 of the EU Securitization Regulation are further specified in Commission Delegated Regulation (EU) 2023/2175 (the "**EU Risk Retention RTS**"). With respect to any Series of Notes issued on or after January 22, 2025, the Sponsor and the Issuer will, if stated in the related prospectus supplement, enter into a risk retention and information letter on the applicable Closing Date addressed to the Indenture Trustee (each, a "**Series Risk Retention and Information Letter**"). Pursuant to each such Series Risk Retention and Information Letter, save as set out in the related prospectus supplement, the Sponsor, on the basis (but without the Sponsor or any other Transaction Party giving any representation or providing any other form of assurance) that the Sponsor is an "originator" for the purposes of the EU Securitization Regulation, will agree, with reference to the EU Securitization Rules as in effect and applicable on the relevant Closing Date, to retain, for so long as any Notes remain outstanding, continually and on an ongoing basis, a material net economic interest of not less than 5% in the transaction described in this prospectus (being, for the avoidance of doubt, the transaction encompassing all Series of Notes issued by the Issuer) in the manner set out in the related prospectus supplement (the "**EU and UK Retained Interest**").

EU investors should note that the undertakings given by the Sponsor in any Series Risk Retention and Information Letter with respect to the EU and UK Retained Interest are expected to be given with reference to the EU Securitization Rules as in effect and applicable on the Closing Date of the relevant Series (save as stated otherwise in the related prospectus supplement).

The term "originator" is defined in the EU Securitization Regulation as "*an entity which: (a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or (b) purchases a third party's exposures on its own account and then securitises them*". In connection therewith, EU Affected Investors may wish to review the information set forth under "*Impact Management and Related Reporting*" and "*CPACE Asset Purchase Agreement*" in this prospectus and/or to consult other sources of information.

Article 6(1) of the EU Securitization Regulation provides that an entity will not be considered an "originator" for the purposes of Article 6 if it has been established or operates for the sole purpose of securitizing exposures. The EU Risk Retention RTS further provides that "*[a]n entity shall not be considered to have been established or to operate for the sole purpose of securitising exposures… where all of the following applies: (a) the entity has a strategy and the capacity to meet payment obligations consistent with a broader business model that involves material support from capital, assets, fees or other sources of income, by virtue of which the entity does not rely on the exposures to be securitised, on any interests retained or proposed to be retained in accordance with Article 6 of [the EU Securitization Regulation], or on any corresponding income from such exposures and interests,* *as its sole or predominant source of revenue; (b) the members of the management body have the necessary experience to enable the entity to pursue the established business strategy, as well as adequate corporate governance arrangements*.” In connection with such requirements, EU Affected Investors may wish to review the information set forth above under "*The Sponsor, the Master Servicer and the Master Portfolio Administrator*" in this prospectus and/or to consult other sources of information on the Sponsor.

EU Transparency Requirements: Pursuant to the EU Due Diligence Requirements, prior to investing in (or otherwise holding an exposure to) a securitization, EU Affected Investors are required to verify that the originator, sponsor or SSPE has, where applicable, made available the information required by Article 7 of the EU Securitization Regulation in accordance with the frequency and modalities provided for in such article. Article 7 of the EU Securitization Regulation contains provisions relating to the requirement for the originator, sponsor and SSPE of a securitization to make available to investors, relevant competent authorities and (upon request) potential investors certain prescribed documents and information (the “**EU Transparency Requirements**”). Such documents and information include:

(a) the underlying documentation that is essential for understanding the transaction, to be made available before pricing;

(b) a transaction summary or overview of the main features of the securitization, to be made available before pricing;

(c) reports containing information on the exposures underlying the securitization, and other prescribed information for investors, in each case with the content and in the format prescribed by the EU Securitization Rules, to be made available (simultaneously with the other) each quarter and no later than one month after the due date for the payment of interest; and

(d) information on any “significant events” within the meaning of the EU Securitization Regulation, such as any material breach or material amendment of a transaction document, or a change in the risk characteristics of the underlying exposures that can materially impact performance of the securitization, to be made available without delay.

The EU Securitization Regulation makes no express provision as to whether, and, if so, to what extent, an EU Affected Investor is required to verify compliance with the EU Transparency Requirements in cases where the originator, the sponsor or the SSPE is established outside the EU (as is the case with the transaction described in this prospectus). However, in a report published on October 10, 2022 (the “**Commission Report**”), the European Commission provided what it describes as “interpretative guidance”, to the effect that the EU Securitization Regulation should be read as making no distinction, as regards the requirement to verify compliance with the EU Transparency Requirements, according to “*whether the securitisation is issued by EU entities or by entities based in third-countries*”. With reference to securitizations in which none of the originator, the sponsor or the SSPE undertakes to provide the information and reporting required by Article 7 of the EU Securitization Regulation, the European Commission stated that it “*is aware that the current text of Article 5(1)(e) [of the EU Securitization Regulation], in conjunction with the rules laid down by Article 7 [of the EU Securitization Regulation] (and, in turn, in conjunction with the respective technical standard) de facto excludes EU institutional investors from investing in certain third-country securitisations*”.

In respect of any Series of Notes issued on or after January 22, 2025, to the extent the related prospectus supplement indicates that a Series Risk Retention and Information Letter will be entered into in connection with such Series, and save as set out in the related prospectus supplement, the Issuer will undertake to use reasonable endeavors to cause the documents, reports and information prescribed by the EU Transparency Requirements to be made available as described in such related prospectus supplement. Prospective investors should be aware that, except to the extent (if at all) agreed otherwise by the Issuer, the reports prescribed by Article 7(1)(a) and Article 7(1)(e) of the EU Securitization Regulation (underlying exposure reports and investor reports) will only contain the information required by the relevant Annexes, as described in the related prospectus supplement, of Commission Delegated Regulation (EU) 2020/1224 (the “**Disclosure RTS**”) and be in the form of the templates set out in the relevant Annexes, as described in the related prospectus supplement, of Commission Implementing Regulation (EU) 2020/1225 (the “**Disclosure ITS**” and, together with the Disclosure RTS, the “**EU Transparency Technical**

Standards"), in each case as in effect on the Closing Date of the relevant Series. In addition, as a general matter, the ability of the Issuer to make available the information required by the EU Transparency Requirements may be limited, including to the extent that information is not available in respect of any of the CPACE Assets, or to the extent that information is subject to any confidentiality restriction.

The Issuer may (but will not be required to) engage one or more service providers (each a "**Reporting Administrator**") to prepare (or assist in the preparation of), and make available, certain reports and notifications for the purposes of the EU Transparency Requirements.

General: Except as described or referred to in this section of this prospectus or in any prospectus supplement, no Transaction Party, nor any affiliate thereof, will undertake, or intends, to take or refrain from taking any action with regard to the transaction described in this prospectus in a manner prescribed or contemplated by the EU Securitization Regulation, or to take any action for purposes of, or in connection with, compliance by any investor with any requirements of the EU Securitization Regulation or any other law or regulation now or hereafter in effect in the EU or the EEA in relation to risk retention, due diligence and monitoring, credit granting standards, transparency or any other conditions with respect to investments in securitization transactions.

The EU Securitization Rules and any changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of affected investors and may have an adverse impact on the value and liquidity of the Notes.

Each prospective investor in the Notes that is subject to the EU Securitization Regulation or any equivalent or similar requirements should consult with its own legal, accounting and other advisors and/or its national regulator, and should make its own independent assessment, to determine whether, and to what extent, (a) the EU Securitization Rules or any equivalent or similar requirements apply to the transaction described in this prospectus or to the Notes, (b) the Sponsor qualifies as an originator with regard to any CPACE Assets for purposes of the EU Securitization Rules or any equivalent or similar requirements, and, if so, whether the EU Securitization Rules or any equivalent or similar requirements would permit the EU and UK Retained Interest to be retained solely by the Sponsor and (c) any covenants, representations or warranties to be made in any Series Risk Retention and Information Letter, or any information set out in this prospectus or any prospectus supplement or otherwise provided or to be provided in connection with the transaction described in this prospectus, or the form or manner in which it is made available, are, is or will be sufficient for the purpose of any person's compliance with the EU Securitization Rules or any equivalent or similar requirements.

None of the Transaction Parties or any of their respective affiliates: (a) makes any representation, warranty or guarantee (i) as to the scope of the EU Securitization Rules or any equivalent or similar requirements, or their applicability to the transaction described in this prospectus or to the Notes, (ii) as to whether (x) the Sponsor qualifies as an originator of any CPACE Assets for purposes of the EU Securitization Rules or any equivalent or similar requirements, (y) there is any other person that qualifies as an originator with regard to any of the CPACE Assets for any such purpose, or (z) if there are multiple originators with regard to the CPACE Assets for any such purpose (including the Sponsor), the EU Securitization Rules or any equivalent or similar requirements would permit the EU and UK Retained Interest to be retained solely by the Sponsor, (iii) that any covenants, representations or warranties to be made in any Series Risk Retention and Information Letter, or the information set out in this prospectus or any prospectus supplement or otherwise provided or to be provided in connection with such transaction, or the form or manner in which it is made available, are, is or will be sufficient for the purpose of any person's compliance with the EU Securitization Rules or any equivalent or similar requirements or (iv) as to the suitability of the Notes for investment; (b) will have any liability to any person with respect to (i) the applicability (or otherwise) of the EU Securitization Rules or any equivalent or similar requirements to such transaction or the Notes, (ii) any insufficiency of any covenants, representations or warranties to be made in any Series Risk Retention and Information Letter, or of the information set out in this prospectus or any prospectus supplement or otherwise provided or to be provided in connection with such transaction, or the form or manner in which it is made available or (iii) any person's failure or inability to comply with or otherwise satisfy the EU Securitization Rules or any equivalent or similar requirements; or (c) will have any obligation with respect to the EU Securitization Rules or any equivalent or similar requirements, in each case other than (in the case of the Sponsor and the Issuer only) to the extent of the covenants, representations and warranties expressly made in any Series Risk Retention and Information Letter.

Certain United Kingdom investors are subject to securitization rules, which may have an adverse impact on the value and liquidity of the Notes.

The framework for the regulation of securitization in the UK is set out in (a) the Securitisation Regulations 2024 (as amended, the "**SR 2024**"), (b) the securitisation sourcebook of the handbook of rules and guidance adopted by the UK Financial Conduct Authority (the "**FCA**") (the "**SECN**"), (c) the Securitisation Part of the rulebook of published policy of the Prudential Regulation Authority of the Bank of England (the "**PRA**") (the "**PRASR**") and (d) relevant provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") (in each case as amended, supplemented or replaced and, collectively, the "**UK Securitization Framework**").

The UK Securitization Framework, together with (a) all relevant guidance, policy statements and directions relating to the application of the UK Securitization Framework published by the FCA, the PRA and/or the UK Pensions Regulator (or their successors), (b) any guidelines relating to the application of the EU Securitization Regulation which are applicable in the UK and (c) any other applicable laws, acts, statutory instruments, rules, guidance or policy statements published or enacted relating to the UK Securitization Framework, in each case as amended, supplemented or replaced from time to time, are referred to in this prospectus as the "**UK Securitization Rules**".

UK Due Diligence Requirements: Regulations 32B to 32D (inclusive) of the SR 2024, SECN 4 and Article 5 of Chapter 2 of the PRASR, as applicable, place certain conditions (the "**UK Due Diligence Requirements**") on investments in a "securitisation" (as defined in the SR 2024) by any "institutional investor", defined in the SR 2024 to include (a) an insurance undertaking or a reinsurance undertaking, each as defined in section 417(1) of the FSMA, (b) the trustees or managers of an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the UK, or a fund manager of such a scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment, is authorized for the purposes of section 31 of the FSMA, (c) an AIFM (as defined in regulation 4 of the Alternative Investment Fund Managers Regulations 2013 (the "**AIFM Regulations**")) with permission under the FSMA in respect of managing an AIF (as defined in regulation 3 of the AIFM Regulations), and which markets or manages AIFs in the UK, or a small registered UK AIFM (as defined in the AIFM Regulations), (d) a management company as defined in section 237(2) of the FSMA, (e) a UCITS as defined in section 236A of the FSMA, which is an authorized open ended investment company as defined in section 237(3) of the FSMA, (f) a CRR firm as defined in Article 4(1)(2A) of Regulation (EU) No 575/2013 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") (as amended, the "**UK CRR**") and (g) an FCA investment firm as defined in Article 4(1)(2AB) of the UK CRR. The UK Due Diligence Requirements also apply to certain consolidated affiliates, wherever established or located, of entities that are subject to the UK CRR (such affiliates, together with all such institutional investors, each a "**UK Affected Investor**").

The UK Due Diligence Requirements provide that, prior to investing in (or otherwise holding an exposure to) a securitization, an UK Affected Investor, other than the originator, sponsor or original lender (each as defined in the SR 2024) must, among other things, (a) verify that, where the originator or original lender is not established in the UK, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that, if not established in the UK, the originator, sponsor or original lender retains on an ongoing basis (or, in the case of certain UK Affected Investors, continually retains) a material net economic interest which, in any event, will not be less than 5%, determined in accordance with SECN 5 or Article 6 of Chapter 2 and Chapter 4 of the PRASR, as applicable, and discloses the risk retention to institutional investors, (c) verify that the originator, sponsor or SSPE has made available sufficient information to enable the institutional investor independently to assess the risks of holding the securitization position, and has committed to make further information available on an ongoing basis, as appropriate, and including at least the information described in the SR 2024, the SECN or the PRASR, as applicable (as discussed in further detail below) and (d) carry out a due-diligence assessment which enables the UK Affected Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitization position and the underlying exposures and (ii) all the structural features of the securitization that can materially impact the performance of the securitization position.

The UK Due Diligence Requirements also provide that, while holding a securitization position, a UK Affected Investor must (a) establish appropriate written procedures in order to monitor, on an ongoing basis, its compliance with the foregoing requirements and the performance of the securitization position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body (or equivalent) to enable adequate management of material risks and (d) be able to demonstrate to the FCA, the PRA or the UK Pensions Regulator, as applicable, that it has a comprehensive and thorough understanding of the securitization position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitization position and maintaining records of the foregoing verifications and due diligence and other relevant information.

It remains unclear what is and will be required for UK Affected Investors to demonstrate compliance with various aspects of the UK Due Diligence Requirements.

Failure by a UK Affected Investor to comply with the UK Due Diligence Requirements with respect to an investment in the Notes may result in the imposition of a penalty regulatory capital charge on that investment or other regulatory sanctions and/or remedial measures being imposed or taken by such investor's relevant regulatory authority.

UK Credit-Granting Requirements: With respect to credit granting standards for the purposes of the UK Due Diligence Requirements, UK Affected Investors may wish to review the information set forth under "*PACE Equity's CPACE Program—Credit Underwriting*" in this prospectus and/or to consult other sources of information.

UK Risk Retention Requirements: With respect to any Series of Notes issued on or after January 22, 2025, the Sponsor and the Issuer will, if stated in the related prospectus supplement, enter into a Series Risk Retention and Information Letter on the applicable Closing Date. Pursuant to each such Series Risk Retention and Information Letter, save as set out in the related prospectus supplement, the Sponsor, on the basis (but without the Sponsor or any other Transaction Party giving any representation or providing any other form of assurance) that the Sponsor is an "originator" for the purposes of the UK Securitization Regulation, will agree, with reference to the UK Securitization Rules as in effect and applicable on the relevant Closing Date, to retain, for so long as any Notes remain outstanding, continually and on an ongoing basis, the EU and UK Retained Interest (as defined under "*Certain European Economic Area investors are subject to securitization rules, which may have an adverse impact on the value and liquidity of the Notes – EU Risk Retention Requirements*" in this prospectus).

UK investors should note that the undertakings given by the Sponsor in any Series Risk Retention and Information Letter with respect to the EU and UK Retained Interest are expected to be given with reference to the UK Securitization Rules as in effect and applicable on the Closing Date of the relevant Series (save as stated otherwise in the related prospectus supplement).

The term "originator" is defined in the UK Securitization Framework as "*an entity which: (a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or (b) purchases a third party's exposures on its own account and then securitises them*". In connection therewith, UK Affected Investors may wish to review the information set forth under "*CPACE Asset Purchase Agreement*" in this prospectus and/or to consult other sources of information.

Each of SECN 5.2.5R and Article 6(1) of Chapter 2 of the PRASR provides that an entity will not be considered an "originator" for the purposes of SECN 5 or Article 6 of Chapter 4 of the PRASR, as applicable, if it has been established or operates for the sole purpose of securitizing exposures. SECN 5.3.6R further provides that "*[the] following must be taken into account when assessing whether an entity has been established or operates for the sole purpose of securitising exposures as referred to in [the relevant section of the SECN]: (1) the entity has a business strategy and the capacity to meet payment obligations consistent with a broader business model and involving material support from capital, assets, fees or other income available to the entity, relying neither on the exposures being securitised, nor on any interests retained or proposed to be retained in accordance with [the relevant section of the SECN], as well as any corresponding income from such exposures and interests; and (2) the members of the management body have the necessary experience to enable the entity to pursue the established business strategy, and the entity has adequate corporate governance arrangements*." Article 2(6) of Chapter 4 of the

PRASR contains a substantially similar provision, with reference to the relevant provisions of the PRASR. In connection with such requirements, UK Affected Investors may wish to review the information set forth above under "*The Sponsor, the Master Servicer and the Master Portfolio Administrator*" in this prospectus and/or to consult other sources of information on the Sponsor.

UK Transparency Requirements: Pursuant to the UK Due Diligence Requirements, prior to investing in (or otherwise holding an exposure to) a securitization, UK Affected Investors are required to verify that the originator, sponsor or SSPE has made available sufficient information to enable the institutional investor independently to assess the risks of holding the securitization position and has committed to make further information available on an ongoing basis, as appropriate (the "**UK Transparency DD Requirement**"). Each of the SR 2024, the SECN and the PRASR further provides (with minor variations) that such information must include at least:

(a) details of the underlying exposures, to be provided on at least a quarterly basis;

(b) investor reports providing periodic updates on the credit quality and performance of the underlying exposures, any relevant financial or other triggers contained in the transaction documentation, including information on events which trigger changes to the priority of payments or a substitution of any counterparty to the transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitization and the calculation and modality of retention of a material net economic interest in the transaction by the originator, sponsor or original lender, to be provided on at least a quarterly basis;

(c) all information on the legal documentation needed to understand the transaction, including detail of the legal provisions governing the structure of the transaction, any credit enhancement or liquidity support features, the cash flows and loss waterfalls, investors' voting rights and any triggers or other events that could result in a material impact on the performance of the securitization position, to be provided (i) for primary market investments, in draft or initial form before pricing or commitment to invest, and in final form no later than 15 days after closing of the transaction, (ii) for secondary market investments, in final form before a commitment to invest and (iii) for both primary and secondary market investments, an updated version as soon as practicable following any material change;

(d) information describing any changes or events materially affecting the transaction, including breaches of obligations under the transaction documents, to be provided as soon as practicable following the material change or event; and

(e) any approved prospectus or other offering or marketing document prepared with the cooperation of the originator or sponsor, to be provided (i) for primary market investments, in draft or initial form before pricing or commitment to invest, and in final form no later than 15 days after closing of the transaction or (ii) for secondary market investments, in final form before a commitment to invest.

The scope and effect of the UK Transparency DD Requirement remains uncertain.

Prospective investors should be aware that no Transaction Party, nor any affiliate thereof, will undertake to provide any information, documents or reports specifically for purposes of, or in connection with, compliance by any investor with the UK Transparency DD Requirement. UK Affected Investors should therefore independently consider, among other things, whether the information to be made available in connection with the EU Transparency Requirements pursuant to any Series Risk Retention and Information Letter entered into in respect of the relevant Series (if any, as set out in the related prospectus supplement) and/or otherwise to be made available are sufficient for it to be able to satisfy the UK Transparency DD Requirement.

General: Except as described or referred to in this section of this prospectus or in any prospectus supplement, no Transaction Party, nor any affiliate thereof, will undertake, or intends, to take or refrain from taking any action with regard to the transaction described in this prospectus in a manner prescribed or contemplated by the UK Securitization Framework, or to take any action for purposes of, or in connection with, compliance by any investor with any requirements of the UK Securitization Framework or any other law or regulation now or hereafter in effect in the UK in relation to risk retention, due diligence and monitoring, credit granting standards, transparency or any other conditions with respect to investments in securitization transactions.

The UK Securitization Rules and any changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of affected investors and may have an adverse impact on the value and liquidity of the Notes.

Each prospective investor in the Notes that is subject to the UK Securitization Framework or any equivalent or similar requirements should consult with its own legal, accounting and other advisors and/or its national regulator, and should make its own independent assessment, to determine whether, and to what extent, (a) the UK Securitization Rules or any equivalent or similar requirements apply to the transaction described in this prospectus or to the Notes, (b) the Sponsor qualifies as an originator with regard to any CPACE Assets for purposes of the UK Securitization Rules or any equivalent or similar requirements, and, if so, whether the UK Securitization Rules or any equivalent or similar requirements would permit the EU and UK Retained Interest to be retained solely by the Sponsor and (c) any covenants, representations or warranties to be made in any Series Risk Retention and Information Letter, or any information set out in this prospectus or any prospectus supplement or otherwise provided or to be provided in connection with the transaction described in this prospectus, or the form or manner in which it is made available, are, is or will be sufficient for the purpose of any person's compliance with the UK Securitization Rules or any equivalent or similar requirements.

None of the Transaction Parties or any of their respective affiliates: (a) makes any representation, warranty or guarantee (i) as to the scope of the UK Securitization Rules or any equivalent or similar requirements, or their applicability to the transaction described in this prospectus or to the Notes, (ii) as to whether (x) the Sponsor qualifies as an originator of any CPACE Assets for purposes of the UK Securitization Rules or any equivalent or similar requirements, (y) there is any other person that qualifies as an originator with regard to any of the CPACE Assets for any such purpose, or (z) if there are multiple originators with regard to the CPACE Assets for any such purpose (including the Sponsor), the UK Securitization Rules or any equivalent or similar requirements would permit the EU and UK Retained Interest to be retained solely by the Sponsor, (iii) that any covenants, representations or warranties to be made in any Series Risk Retention and Information Letter, or the information set out in this prospectus or any prospectus supplement or otherwise provided or to be provided in connection with such transaction, or the form or manner in which it is made available, are, is or will be sufficient for the purpose of any person's compliance with the UK Securitization Rules or any equivalent or similar requirements or (iv) as to the suitability of the Notes for investment; (b) will have any liability to any person with respect to (i) the applicability (or otherwise) of the UK Securitization Rules or any equivalent or similar requirements to such transaction or the Notes, (ii) any insufficiency of any covenants, representations or warranties to be made in any Series Risk Retention and Information Letter, or of the information set out in this prospectus or any prospectus supplement or otherwise provided or to be provided in connection with such transaction, or the form or manner in which it is made available or (iii) any person's failure or inability to comply with or otherwise satisfy the UK Securitization Rules or any equivalent or similar requirements; or (c) will have any obligation with respect to the UK Securitization Rules or any equivalent or similar requirements, in each case other than (in the case of the Sponsor and the Issuer only) to the extent of the covenants, representations and warranties expressly made in any Series Risk Retention and Information Letter.

Risks Related to the Issuer

The Issuer could be classified as a taxable mortgage pool taxable as a corporation.

As discussed under "*U.S. Federal Income Tax Considerations*," Morgan, Lewis & Bockius LLP, as special tax counsel to the Issuer, will deliver an opinion as of each Closing Date that (i) when issued, the Notes issued on such date will be characterized as debt for U.S. federal income tax purposes, except to the extent such Notes are beneficially owned by the Issuer or an entity which for U.S. federal income tax purposes is considered the same person as the Issuer, (ii) neither the Issuer nor any portion thereof will be classified as a taxable mortgage pool taxable as a corporation and the Issuer will not be subject to entity level tax, in each case for U.S. federal income tax purposes, and (iii) the Issuer has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. Opinions of counsel are not a guarantee of any particular U.S. federal income tax result and are not binding on the IRS or any other third party.

If the Issuer were to be classified as a taxable mortgage pool taxable as a corporation for U.S. federal income tax purposes, any tax imposed upon the Issuer could reduce cash flow that would otherwise be available to make payments on the Notes. Moreover, if the Issuer were characterized as a taxable mortgage pool, in addition to being taxed as a corporation, it would not be able to file a consolidated U.S. federal income tax return with any other corporation. See "*U.S. Federal Income Tax Considerations—Possible Alternative Characterization of the Issuer.*"

The Issuer's tax-exempt status as an organization described in Section 501(c)(3) of the Code is subject to conditions and assumptions that must continue to be met.

The Issuer is a charitable, nonstock corporation and has received a determination letter from the IRS recognizing its tax exempt status as an organization described in Section 501(c)(3) of the Code. This determination rests upon a number of conditions and assumptions that must continue to be met on an ongoing basis. The Issuer's tax exempt status may be revoked for failure to comply with any of these conditions or assumptions, including for failure to file Form 990 with the IRS for three consecutive years, by conducting substantial activities unrelated to its charitable purposes, or by engaging in political campaign activities or substantial lobbying activities. Furthermore, if the Issuer fails to comply with any of these conditions or assumptions, certain exemptions from registration available for securities of charitable organizations under federal and state securities laws may not be applicable for the Issuer to offer and sell Notes or for any resale of Notes.

The Issuer timely submitted a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code (the "**Application**") to the IRS. On January 9, 2022, the IRS issued a favorable determination letter recognizing that Issuer is tax-exempt as an organization described in Section 501(c)(3) effective as of its date of incorporation, May 28, 2021. As part of the Application, the Issuer disclosed that it intended to "finance energy efficiency and renewable energy generation infrastructure for use in connection with commercial, multifamily, and industrial buildings and community facilities." The Issuer made clear to the IRS that it planned to fund such activities "primarily by issuing a 'Climate bond' that enables the Organization to borrow funds from impact investors and others interested in combatting climate change." Accordingly, the Issuer disclosed to the IRS and the IRS specifically approved of activities of the Issuer consistent with and specifically related to the issuance of Notes and the use of their proceeds to purchase CPACE Assets related to energy efficiency improvement projects as described herein. Morgan, Lewis & Bockius LLP, as special tax counsel to the Issuer, has assumed the Issuer's activities will be limited to the above activities as disclosed to the IRS in its Application.

The Issuer is a recently incorporated company with limited operating history and limited revenues, and you have limited basis on which to evaluate the Issuer's ability to achieve its business objective.

The Issuer is a recently incorporated company with limited operating results, and commenced its operations upon obtaining funding through the offering of the Series 2023-1 Cut Carbon Notes on October 18, 2023. Therefore, you will have limited basis upon which to evaluate the Issuer's ability to achieve its business objectives.

Risks Related to the CPACE Assets

CPACE Bonds and CPACE Assessments do not have significant performance history.

CPACE Bonds and CPACE Assessments and, in each case, the related CPACE Assets, have limited performance history, and there is limited available historical data on payment, delinquency or foreclosure rates and other performance information relating to the CPACE Assets. There are a number of counties and municipalities that have adopted programs for the purpose of issuing limited obligation improvement bonds similar to the CPACE Bonds (in terms of being used to finance energy efficiency, water conservation, and renewable energy improvements to residential or commercial properties). However, these programs feature underwriting criteria, economic terms or bond terms that vary from those applicable to the CPACE Assets, and they generally fund different types of improvements, target residential property improvements as opposed to commercial properties, or target property owners with different characteristics as their potential obligors. Despite the number of operating programs, there have been relatively few issuances of limited obligation improvement bonds and assessments substantially similar to the CPACE Assets to date. For these reasons, information is scarce with respect to collections, payment, delinquency or other performance measures on outstanding CPACE Bonds and CPACE Assessments or substantially similar products.

The CPACE Assets have several key features in common with certain other types of limited obligation improvement bonds issued by counties, municipalities and joint powers authorities to fund improvement projects such as roads, water treatment facilities and sewers. For example, many limited obligation improvement bonds share the common features that (i) payment is primarily dependent on the collection of special assessments on commercial properties, (ii) the assessments are secured by such commercial properties with lien priority equal to that of real property taxes, and (iii) the assessments are billed and paid together with such real estate taxes. There is information available in the public domain describing the payment, delinquency and loss experience of counties, municipalities and joint powers authorities in relation to the assessments they have levied in relation to improvement projects, and, also in relation to certain limited obligation improvement bonds secured by specific assessments. While there may be certain information available to investors regarding the payment, delinquency and loss experience in relation to these other assessments and bonds, no assurance can be made that the CPACE Assets will demonstrate payment, delinquency or foreclosure rates or other performance substantially similar to that experienced in relation to any other assessments, or, therefore, that the CPACE Assets will perform similarly to any other limited obligation improvement bond or assessment products.

Obligors on CPACE Assessments and property values are not re-underwritten or re-appraised after funding, and subsequent obligors are not underwritten.

The underwriting of property owners who are obligors on CPACE Assessments involves review of the relevant property, relevant proposed improvements, other debt secured by the relevant property and certain limited credit criteria on the property owner at the time of the initial advance. While the related projects are subject to ongoing monitoring and disbursements are conditioned on achievement of certain benchmarks, there is no re-underwriting of any CPACE Assessments or review of any such information subsequent to the initial funding if the relevant property is sold to a new owner. Additionally, the CPACE Assessment levied on the relevant property becomes the obligation of any subsequent property owner if not voluntarily pre-paid in full by a property owner or otherwise disposed of prior to or concurrent with any voluntary or involuntary property transfer by the original obligor on the CPACE Assessment. Therefore, the creditworthiness of the obligor, value of the related property, value or functioning of the relevant improvements thereon and total amount of obligations secured by the related property at any time subsequent to when the CPACE Assessment was first imposed may be materially different than those that existed at the time the CPACE Assessment was first imposed.

Credit enhancement, if available, will be limited in both amount and scope of coverage, and may not be sufficient to cover all losses or risks on your investment.

Credit enhancement may be available in limited amounts to cover some, but not all, types of losses on the CPACE Assets. Any such credit enhancement may be depleted over time and may reduce over time in accordance with a schedule or formula. Furthermore, credit enhancement may provide only very limited coverage as to some types of losses and may provide no coverage as to other types of losses. Credit enhancement does not directly or indirectly guarantee to the investors any specified rate of prepayments, which is one of the principal risks of your investment. The amount and types of credit enhancement coverage and the identification of any entity providing the credit enhancement will be described under the caption "*Description of the Notes—Credit Enhancement*" in this prospectus and in the related prospectus supplement.

Delays in the payment or processing of payments on CPACE Assets may cause payment delays or shortfalls on the Notes.

Payments on the underlying CPACE Assets in certain jurisdictions are billed and collected by the respective tax authority (the "**Tax Collector**") of each relevant jurisdiction periodically, together with property tax payments and payments in relation to other assessments relating to the particular properties. If a property owner is late on a payment, it may not be received in time to be processed and transferred to the Collection Account prior to the next Distribution Date on the Notes, which could result in a shortage in expected payments in respect of the Notes. Late payments may be considered delinquent after a certain amount of time, and delinquent assessment payments may incur a late payment penalty imposed by the Tax Collector as of the relevant delinquency date. There can be no assurance that the amount of any late penalty imposed or the eventual imposition of interest on delinquent assessment payments will be sufficient to cover reductions in yield on the Notes resulting from the initial lateness of payment and corresponding delay in payments on the Notes.

CPACE Assets are in certain cases billed and collected by the Tax Collector, but collections are allocated (*i.e.,* the gross payments collected are "apportioned" among the various real property taxes and other assessments) by the office of each relevant jurisdiction's respective auditor-controller (or other similar position) before being distributed to the various agencies or payees entitled to receive portions of such gross payments. Accordingly, the portions of such gross payments representing payments of certain CPACE Assets are not paid to the Indenture Trustee (in satisfaction of the Issuer's rights thereto which have been pledged to the Indenture Trustee) until both (i) the Tax Collector collects such payments and delivers data on such collections to the relevant auditor-controller (or other similar position), and then (ii) the relevant auditor-controller (or other similar position) completes its review of such data and apportions such collections. Moreover, the relevant auditor-controller (or other similar position) receives data and confirms funds received in several stages in relation to each of the tax payment dates. Completing all of these processes in relation to any tax payment date involves several weeks or months between collection and payment to holders of the Notes. No assurance can be given that delays in these processes will not cause a material reduction in the amounts paid on the Notes, despite timely payment performance on the underlying CPACE Assets by the related obligors.

Geographic concentrations of CPACE Assets may increase concentration risks.

Adverse economic conditions or other factors affecting any state or region could increase the delinquency, default or net loss experience of the CPACE Assets if there is a significant concentration of CPACE Assets relating to borrowers located in the affected state or region. Please refer to the related prospectus supplement for any information on geographic concentrations and associated risks.

CPACE Assets are subject to general credit risks and the risk of loss.

The CPACE Assets are subject to general risks associated with other investments in or obligations secured by real property, including risk of borrower defaults, bankruptcies and special hazard losses that are not covered by standard hazard insurance (including earthquakes and, in areas that are not government-designated flood zones, floods). In the event of a default on a CPACE Asset, there may be a loss of principal to the extent of any deficiency between the value of the property securing the CPACE Asset and the amount owed by the related obligor on the CPACE Asset.

All real property investments are subject to some degree of risk. The CPACE Assets will not be insured or otherwise guaranteed by any institution or agency. In the event of default by an obligor, it may be necessary to foreclose on the property or engage in negotiations which may involve further outlays to protect the real property investment. It is possible that the total amount recovered in these cases may be less the value of the CPACE Assets, resulting in a loss.

The timing of the resolution of foreclosure proceedings with respect to any delinquent or defaulted CPACE Assets is uncertain. Although CPACE Bonds have a stated maturity date, the remedies available under the related CPACE Bond in the event of delinquency or default of the related CPACE Assessment may be pending for an extended period of time after the expected maturity date of the CPACE Bond.

As with other investments in or obligations secured by real property, the amount of proceeds from the sale of these properties is subject to such factors as adverse changes in local economic and demographic conditions, neighborhood characteristics, real estate values generally and in the locale of the property, interest rates, real estate tax rates, other operating expenses, inflation and the strength or weakness of the national and regional economy, the supply of and demand for properties of the type involved, zoning laws or other governmental rules and policies (including environmental restrictions) and competitive conditions (including changes in land use and construction of new competitive properties) which may affect the ability of a purchase of the property to obtain or maintain full occupancy or use of the property or to charge rental rates high enough to cover expenses of operating and maintaining the property. In addition, such changes may affect the disposition strategy for particular properties. There can be no assurance that such changes will not occur in the future.

In addition to the general factors affecting the value of real property described above, particular properties may have special problems that would adversely affect the price they would obtain upon sale. Particular properties may have been abandoned and allowed to deteriorate below the value indicated by their current assessments. Other properties may have been constructed for a particular purpose that is no longer economically viable, and a potential buyer desiring the property for a different purpose may only be willing to pay substantially less for the property because of the cost of reconstructing the property for the new purpose. Some properties may have environmental problems requiring expensive remediation. None of the relevant municipality, the transaction parties described herein, any obligor or any CPACE Bond Issuer has made any comprehensive analysis of the potential economic impact of these problems on the values of the properties.

In order to enforce a CPACE Assessment, the related CPACE Bond Issuer (or its designee) may have to bring legal action, or rely on the relevant governmental authority to bring legal action, against a defaulted obligor, including foreclosing on the property securing the CPACE Assessment. In this event, an obligor may bring a counterclaim or suit in an attempt to stop or stall the foreclosure action. In the alternative, an obligor may file bankruptcy in an attempt to stay the foreclosure, reorganize its debts or preserve the equity in its property. In either event, there is a risk of potential loss or damages due to such claims, the cost of defending such claims (regardless of the merits of the claims) and the costs resulting from the delays associated with the litigation.

Limitations placed on CPACE Bond Issuers with respect to foreclosure proceedings may subject investors in Notes to variations in the timing and amount of payments they receive, and may reduce the yield on the Notes.

Each CPACE Bond Issuer may be obligated under the related CPACE bond indenture to which it is a party to bring foreclosure proceedings on properties securing defaulted CPACE Assessments and to instruct counsel to pursue foreclosure proceedings expeditiously when such remedy becomes legally timely, or the governmental authority relating to a defaulted CPACE Asset may be contractually obligated to bring foreclosure proceedings on the related property, or CPACE Asset holders may have the direct right to bring foreclosure proceedings on properties securing defaulted CPACE Assessments. However, these foreclosure obligations and rights, and the rights of the related CPACE Bond Issuer, governmental authority, or CPACE Asset holder, as applicable, may be subject to limitations and delays.

Certain CPACE Bond Issuers are required to obtain an authorization by a governing board prior to initiating a foreclosure action on the related property and pursuing available remedies. Although the CPACE Bond Issuer may have a contractual agreement to take action to foreclose on the property related to a delinquent CPACE Assessment, there can be no assurance that the CPACE Bond Issuer will initiate and pursue those remedies. If a CPACE Bond Issuer fails to authorize or pursue remedies in connection with a delinquent CPACE Assessment, delays or reductions in payments on the related CPACE Bond may occur, which may affect the Issuer’s ability to make payments on the Notes.

CPACE Bond Issuers are not authorized to retain proceeds of foreclosure in excess of the outstanding unpaid CPACE Assessments, plus penalties and interest (and its foreclosure-related expenses). CPACE Bond Issuers cannot accelerate any future assessment payments that are not yet due. Instead, subsequent purchasers of the relevant properties take ownership subject to the obligation to pay those future assessment installments as and when invoiced subsequent to their purchase of the relevant property. Any foreclosure proceedings brought by a CPACE Bond Issuer (or by the related county in relation to other delinquent taxes and assessments) would result in the collection and payment to the trustee of the related CPACE Bond only of delinquent CPACE Assessment payments (and related penalties and interest), and other proceeds from the foreclosure would be for the benefit of and paid over to other parties with liens on the property. Because foreclosure proceedings will not accelerate the remaining assessment installments, subsequent property owners may (or may not) in turn become delinquent or default, so any given CPACE Assessment may be repeatedly subject to the delays occasioned by the need to exercise remedies. Receipt by the trustee of the related CPACE Bond of any penalty or increased interest amounts in relation to delinquent CPACE Assessment payments through foreclosure or other sale of the relevant property and passed through as collections on the CPACE Bonds may not be sufficient to offset any payment shortfalls experienced by investors in the Notes as a result of delays in payments due to delinquencies and the resulting exercises of remedies.

Fraud by obligors or CPACE Asset contractors may adversely impact the ability of the Issuer to make payments on the Notes.

The originator of each CPACE Asset reviews each property subject to the related CPACE Asset. In addition, the originator has implemented controls to confirm CPACE funds are being used as agreed. These controls can include independent construction verification, guaranteed maximum price contracts, collection of lien waivers from contractors, monitoring title policy updates, and architect certification of contractor invoices. However, certain acts of fraud, bad faith or other bad acts by the obligor on a CPACE Asset, or by contractors or other service providers receiving funds to perform work in connection with a CPACE Asset, could result in delinquencies and non-payment of the related CPACE Asset by the related obligor, which may adversely impact the ability of the Issuer to make payments on the Notes. The Issuer will have limited or no recourse in connection with fraud, bad faith or other bad acts of obligors or contractors performing work in connection with the related CPACE Asset.

Foreclosure proceedings brought by other parties may affect the timing and amounts received by holders of CPACE Assets or otherwise adversely affect the holders of Notes.

Persons such as counties and other governmental entities and agencies that have levied property taxes or other secured assessments on the relevant properties also might initiate foreclosure proceedings in relation to obligations owed to them and secured by the relevant properties. The property securing any CPACE Asset also may be or become subject to a mortgage and/or deed of trust in favor of a bank or other secured lender. Any such lender (or its agents) may exercise remedies in relation to delinquent or defaulted payments owed to the lender. Any such lender (or its agents) or other assessing authority may exercise remedies (including foreclosure and sale) in these circumstances. The exercise of remedies by any such person could result in voluntary prepayment of all or part of a CPACE Asset, delays in collections of delinquent payments on such CPACE Asset, or acquisition of such property by an obligor that is less creditworthy than was the original property owner.

Eminent domain proceedings with respect to a property subject to a CPACE Asset could result in the Issuer receiving less than if that CPACE Asset had been voluntarily prepaid by the property owner.

In an eminent domain transaction, the acquiring government generally is required to pay the value of the property to the property owner, and to fund the value of any assessments (which would include CPACE Assessments) on the property. A judicial hearing or administrative process establishes such values and also apportions the amounts of the gross proceeds of such purchase that will be payable directly to the property owner and that will go to the owners of such assessments. Such a sale would necessarily result in the prepayment and extinguishment of the related CPACE Assessment, leading to an early redemption in part of the relevant CPACE Bond (possibly without any amount paid as a redemption premium), if any. However, the determinations of value may result in such a prepayment being in an amount less than 100% of the full amount that would be payable in the case of a voluntary prepayment by the property owner. Accordingly, if a property subject to a CPACE Asset were acquired by a government entity in an eminent domain proceeding, there may be a reduction in the expected proceeds received in respect of such CPACE Asset resulting in a reduction in the funds available to pay interest and principal on the Notes.

Levy of CPACE Assessments in violation of applicable state law requirements may impair the lien position or enforceability of assessment contracts, which may cause payment delays or shortfalls on the Notes.

CPACE programs are governed by multiple state laws and by program guidelines specific to each CPACE program that outline specific criteria and requirements that the CPACE Assessments must satisfy. Although the program guidelines for each CPACE program call for such CPACE program to be implemented in accordance with all such requirements and an opinion of counsel covering the compliance with enabling legislation and program requirements is delivered in connection with each CPACE project, it is possible that certain CPACE Assessments may not be in compliance. In the event a non-compliant CPACE Assessment were challenged by a property owner or another interested party, it is possible that the priority or collectability of all or a portion of that CPACE Assessment could be impaired. The outcome of such a challenge is uncertain.

The indentures relating to CPACE Bonds include representations from the applicable CPACE Bond Issuer that the related CPACE Assessments and CPACE Bonds issued thereunder have satisfied such legal criteria and requirements, however, if any CPACE Bond Issuer were to be held liable for any resulting losses on the assessments from a breach of this representation, it is unclear whether such CPACE Bond Issuer would have sufficient capital to satisfy any such loss. Further, if any such losses were to occur and were attributable to a breach of contract by one of the CPACE Bond Issuer's service providers, and if such service provider were held liable for such losses, it is not clear whether such service provider would have sufficient capital to fund any significant loss amount.

In either event, payments on the CPACE Assets may be delayed or reduced, resulting in a delay or reduction in payment of interest and principal on the Notes.

Bankruptcy of any particular jurisdiction could pose risks to receipt by the Indenture Trustee of collections on CPACE Assets, which may cause payment delays or shortfalls on the Notes.

Many governments, municipalities and joint powers authorities are subject to bankruptcy proceedings under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that jurisdictions in which CPACE Assets were originated (each such jurisdiction, a "**County**") or a CPACE Bond Issuer will not become subject to bankruptcy proceedings before the applicable CPACE Assets and the Notes are paid in full.

Upon the commencement of a bankruptcy case in which any County is the debtor, there would be an "automatic stay" imposed on enforcement actions against property in the bankruptcy estate of such County.

The applicable CPACE Assessments and collections thereon are intended to be assets of the issuer of the applicable CPACE Asset, and not of any constituent County. However, despite this intent, in the case of a bankruptcy of a County, certain collections on the CPACE Assessments may be in the possession of the County, having been collected from property owners but not yet transferred to the trustee or collection agent for the applicable CPACE Asset or the Collection Account. Under each County's current procedures for dealing with tax and assessment collections in general, collections on the CPACE Assessments may not be held in a separate account, and may be commingled with other similar collections including funds that are the property of such County. If a bankruptcy court determined that applicable state legal requirements for effective creation and transfer of CPACE Assessments were not satisfied (contrary to the rulings in the relevant validation actions), on the basis of such practices of any such County, that bankruptcy court might determine that such commingled collections on the CPACE Assessments in the possession of such County on the day it becomes a debtor in a bankruptcy case are part of such County's bankruptcy estate. In that event, it is possible that the commingled collections on CPACE Assessments held by such County could be applied to satisfy other obligations of such jurisdiction to its senior creditors, or might be released to the trustee or collection agent for the related CPACE Assets or to the Collection Account only after a substantial delay. Such rulings could delay, or even prevent, the ultimate allocation and payment over from such County to the trustee or collection agent for the related CPACE Asset or the Collection Account of collections on the CPACE Assessments, which result may lead to reduced yields or losses on the Notes.

With respect to payments in respect of CPACE Assessments still to be collected after any County becomes a debtor in a bankruptcy proceeding, the issuer of any related CPACE Bond or the Master Servicer is obliged to seek (unless such County is the issuer of the related CPACE Bond itself, in which case such County is not contractually required to seek) a court order directing that such future payments be separately collected and paid over in full to the trustee of any related CPACE Bond or the Master Servicer to be deposited in the Collection Account. Although there is a reasonable likelihood that such an order would be given, no assurance can be provided that such an order would be given or would be given in time to avoid further delays or shortfalls in collections being so remitted by such County. Bankruptcy of any CPACE Bond Issuer could pose risks to receipt by the trustee of any related CPACE Bond or the Master Servicer of collections on CPACE Assessments, which may cause payment delays or shortfalls on the Notes.

Upon the commencement of a bankruptcy case in which a CPACE Bond Issuer is the debtor, there would be an "automatic stay" imposed on enforcement actions against property in the bankruptcy estate of such CPACE Bond Issuer. In such a proceeding, the trustee of the applicable CPACE Bonds, or the Issuer as an owner of CPACE Bonds, would seek a determination by the bankruptcy court that it is secured by all of such CPACE Bond Issuer's rights in the CPACE Assessments and related contracts to the extent set forth in the indenture relating to such CPACE Bond. In its capacity as a secured creditor, such trustee of the CPACE Bond or the Issuer would claim the continuing right to receive all collections on the CPACE Assessments free of any claims of other creditors of such

CPACE Bond Issuer. Other creditors of the CPACE Bond Issuer might challenge the validity of the trustee of the CPACE Bond's or the Issuer's security interest and attempt to characterize the CPACE Assessments and future proceeds thereof as part of the unencumbered assets in the CPACE Bond Issuer's estate available to all creditors. Such a challenge should be unsuccessful given the arguments available to the trustee of the CPACE Bond and the Issuer as to the continuing validity of its security interest. However, the making of any claim adverse to the trustee of the CPACE Bond's or the Issuer's interest in a bankruptcy proceeding of such CPACE Bond Issuer could delay payment on the applicable CPACE Bonds and, therefore, the Notes.

Losses and delinquencies on the CPACE Assets acquired by the Issuer may differ from the Seller's historical loss and delinquency levels for CPACE Assets that were previously originated by PACE Equity.

The delinquency and loss levels of the CPACE Assets owned by the Issuer may not correspond to the historical levels for CPACE Assets previously originated by PACE Equity has previously experienced on its portfolio. There is a risk that delinquencies and losses could increase or decline significantly for various reasons, including changes in the local, regional or national economies.

CPACE Assets may be "principally secured by an interest in real property" for U.S. federal income tax purposes and investors should discuss related tax implications with their tax advisors.

The CPACE Assets may be considered obligations principally secured by an interest in real property for purposes of the taxable mortgage pool rules of the Code. The Notes are secured by the CPACE Assets. Accordingly, treatment of the CPACE Assets as obligations principally secured by an interest in real property may also cause the Notes to be treated as obligations principally secured by an interest in real property for purposes of the taxable mortgage pool rules. Such treatment may have adverse consequences for investors who finance their acquisition of the Notes. Investors considering financing their acquisition of Notes should consult with their tax advisors.

Inability of the Seller to reacquire CPACE Assets which breach a representation or warranty may cause your payments to be reduced or delayed.

The Transaction Documents require the Seller to reacquire CPACE Assets from the Issuer if certain representations and warranties concerning the related CPACE Assets' eligibility for sale to the Issuer have been breached. If the Seller is unable to reacquire the CPACE Assets and no other party is obligated to perform or satisfy these obligations, you may experience delays in receiving payments and suffer losses on your investment in the Notes.

Inadequate insurance on properties may cause losses on your investment.

Each CPACE Asset requires the related obligor to maintain customary insurance covering builder's risk, general liability, property casualty, and flood (if applicable). Since the obligors select their own insurers to provide the required coverage, the specific terms and conditions of their policies vary.

There can be no assurance that any property is, in fact, covered by property and casualty insurance. Even if the property owner has property and casualty insurance, there is the possibility that the mortgagee of the property may not release the insurance proceeds for restoration purposes or that the property owner may not utilize the insurance proceeds for restoration purposes.

In addition, certain types of losses may be uninsurable, or obtaining insurance for such losses may not be economically feasible. These types of losses include riots, terrorism, acts of war, earthquakes, mold and water-related damages. Should an uninsured loss occur, the affected obligor may not be able to repair the property or continue to make payments due on the applicable CPACE Asset. If the related jurisdiction or the related CPACE Bond Issuer (or its designee), as applicable, forecloses on the property, the amount recovered in the foreclosure proceeding, if any, may not be sufficient to repay in full the principal and interest due on the related CPACE Asset.

Obligors may be subject to significant costs of environmental remediation.

Under various federal, state and local laws, ordinances and regulations, an owner of property, or in some cases a secured lender, may be liable in certain circumstances for the cost, removal or remediation of certain hazardous or toxic substances or petroleum products disposed, stored, released, generated, manufactured or discharged from, on, at, into or below a property. While every property relating to a CPACE Asset receives a Phase I environmental site assessment ("**ESA**") and may be subject to third party review and elevation to a Phase II ESA, the existence of one or more ESA(s) does not necessarily protect the owner from potential liability. The cost of any required remediation or removal can be quite extensive. An environmental, toxic or hazardous condition can dramatically reduce the ability of the obligor of a CPACE Asset to meet its obligations, including its obligations to pay such CPACE Asset. Furthermore, the existence of such a condition can greatly reduce the value of the property securing the CPACE Asset.

Risks Related to the Transaction Parties and the Transaction Documents

Bankruptcy of certain transaction parties may cause a delay or reduction in payment on the Notes.

The Seller will represent and warrant that its transfer of the CPACE Assets to the Issuer is a sale. If the Seller were to become a debtor in a bankruptcy case, and a party in interest (including the Seller itself) were to take the position that the transfer of the CPACE Assets to the Issuer should be re-characterized as the grant of a security interest in such CPACE Assets to secure a borrowing of the Seller, delays in payments on the Notes could result. If a court were to adopt such position, then delays or reductions in payments on, or other losses with respect to, the Notes could result. The Issuer has taken steps to reduce the risk that, in the event the Sponsor were to become the debtor in a bankruptcy case, a court would order that the assets and liabilities of the Issuer be substantively consolidated with those of the Sponsor. These steps include the creation of the Issuer as a separate limited purpose entity with organizational documents that limit the nature of its business. However, there can be no assurance that the activities of the Issuer or the Sponsor would not result in a court concluding that the assets and liabilities of the Issuer should be consolidated with those of its parent in a case under the Federal Bankruptcy Code. If a party in interest (including the Sponsor) asserted that the assets and liabilities of the Issuer should be consolidated with those of the Sponsor, delays in payments on the Notes could result. If the court ordered that the assets and liabilities of the Issuer be consolidated with those of the Sponsor, there could be delays or reductions in payments on, or other losses with respect to, the Notes.

The Lead Agent and its affiliates may have conflicts of interests relative to holders of Notes.

The Lead Agent and/or its affiliates may from time to time perform investment banking services for, or solicit investment banking business from, any person named in this prospectus or any accompanying prospectus supplement.

The Lead Agent is an SEC-registered broker-dealer that performs origination, underwriting, distribution and education services for more than 400 issuing entities. Accordingly, the Lead Agent and clients acting through it from time to time buy, sell or hold securities or other instruments, which may include Notes, and do so without consideration of the fact that the Lead Agent acted as Lead Agent for the Notes. Such transactions may result in the Lead Agent, its affiliates and/or its clients having long or short positions in such instruments. These long or short positions may be as a result of any market making activities described above, or as a result of hedging, secured lending, repo or other activities undertaken by the Lead Agent or its affiliates. Any such short positions will increase in value if the related securities or other instruments decrease in value. Further, the Lead Agent and/or its affiliates may (on its own behalf as principals or for its clients) enter into credit derivative or other derivative transactions with other parties pursuant to which they sell or buy credit protection with respect to one or more of the Notes. The positions of the Lead Agent, its affiliates or its clients in such derivative transactions may increase in value if the Notes default or decrease in value.

In conducting such activities, none of the Lead Agent or its affiliates will have any obligation to take into account the interests of the noteholders or any possible effect that such activities could have on them. The Lead Agent, its affiliates and clients thereof acting through them may execute such transactions, modify or terminate such derivative positions and otherwise act with respect to such transactions, and may exercise or enforce, or refrain from exercising or enforcing, any or all of their rights and powers in connection therewith, without regard to whether any such action might have an adverse effect on the Notes or the noteholders. Additionally, none of the Lead Agent or its affiliates will have any obligation to disclose any of these securities or derivatives transactions to an investor in its capacity as a noteholder.

The Lead Agent, its affiliates and clients thereof may from time to time have economic interests in the sale or performance of other CPACE bonds or of commercial mortgage loans subject to CPACE assessments (or securities backed thereby) that may include holding, buying or selling securities or residual interests in securitized pools of such loans, or derivatives such as credit default swaps, or long or short positions with respect to such securities or interests. The interests of the Lead Agent and its affiliates in any of its various capacities may not be aligned with the interests of the noteholders.

Commingling of collections with the Sponsor's or Subservicer's corporate funds may result in reduced or delayed payments to you.

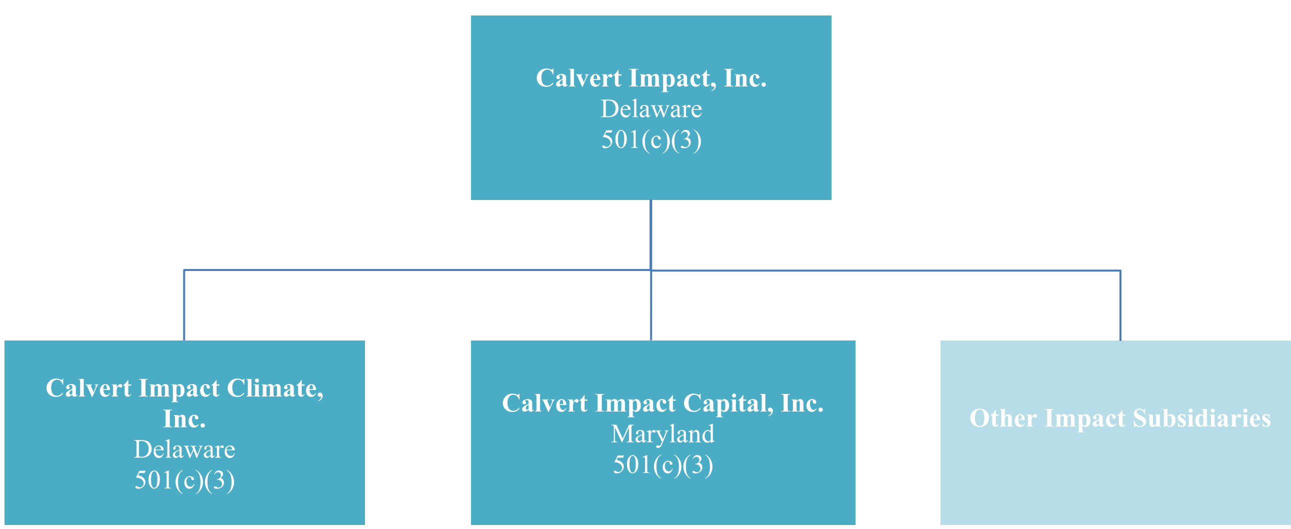
While the Sponsor is the Master Servicer, cash collections remitted directly to the Sponsor or to the Subservicer, rather than to a lockbox account or other collection account of the Issuer, and held by the Sponsor or Subservicer prior to deposit in the Collection Account as required by the Transaction Documents, may be commingled with the Sponsor's or Subservicer's, respectively, corporate funds prior to each Distribution Date. See "*Description of the Transaction Documents*" in this Prospectus.

Transfer of master servicing or a subservicer's failure to perform duties delegated to it by the Master Servicer may delay payments to you.

The Transaction Documents contain provisions that could result in the termination of the Master Servicer's master servicing rights. If the Master Servicer were to cease servicing the CPACE Assets or a subservicer were to cease performing the servicing duties delegated to it by the Master Servicer, delays in processing payments on the CPACE Assets and information regarding CPACE Asset payments could occur. This could delay payments to you. There is no guarantee that a replacement master servicer would be able to fulfill that function with the same capability and degree of skill as the Master Servicer or that a replacement subservicer would perform its delegated duties with the same capability and degree of skill as the outgoing subservicer. See "*Description of the Transaction Documents—Master Servicing and Portfolio Administration Agreement*" in this prospectus.

The Sponsor, the Master Servicer and the Master Portfolio Administrator

Calvert Impact, Inc., which acts as Sponsor, Master Servicer and Master Portfolio Administrator, was incorporated as a charitable nonstock corporation in Delaware on April 7, 2021. Calvert Impact, Inc. is the sole member and parent of the Calvert Impact Climate, Inc.:



Calvert Impact was formed for charitable and educational purposes. Calvert Impact's focus is conducting research and education about the field of impact investing, including how impact investments may be used to address critical social issues, such as helping disadvantaged populations and mitigating the effects of climate change. Calvert Impact conducts demonstration projects to assess the efficacy of impact investments in achieving charitable and educational purposes. Calvert Impact's long-term goal is to make the world more equitable and sustainable by developing impact investment solutions based on the results of its research and education efforts.

In addition to the Issuer, Calvert Impact has additional subsidiaries including Calvert Impact Capital, Inc. ("**CIC**"), a nonstock Maryland corporation described in Section 501(c)(3) of the Code, which was incorporated on September 20, 1988. Beginning in 1995, CIC has been the issuer of the Community Investment Notes®, using the proceeds of the security to provide loans and equity investments to impact partners, who work in under-resourced communities to address climate change, improve access to quality affordable housing, healthcare, education, income and wealth building opportunities, and other critical community services. Since 1995, CIC has raised and deployed over $2.5 billion of capital in connection with the Community Investment Notes®, with a 100% on-time principal and interest repayment history to date. The CIC staff has a deep knowledge of impact investments, including those aimed to addressing climate change. The Issuer has contracted with CIC to provide certain services including those described in the section entitled "*Impact Management and Related Reporting*" below.

Calvert Impact's executive offices are located at 7550 Wisconsin Avenue, 8th Floor, Bethesda, MD 20814 and its main telephone number is (800) 248-0337. Under the Master Servicing and Portfolio Administration Agreement, Calvert Impact will act as master servicer for the CPACE Assets and will be compensated for acting as the Master Servicer (in such capacity, the "**Master Servicer**"). The Master Servicer's activities are described in the Master Servicing and Portfolio Administration Agreement (the "**Master Servicing and Portfolio Administration Agreement**") among the Issuer, the Indenture Trustee, and the Master Servicer. Pursuant to the Master Servicing and Portfolio Administration Agreement, the Master Servicer is permitted to delegate, and will delegate, certain servicing duties to one or more subservicers. See "*Description of the Transaction Documents—Master Servicing and Portfolio Administration Agreement*" in this prospectus for more information regarding Calvert Impact's master servicing procedures and its rights and duties under the Master Servicing and Portfolio Administration Agreement.

The Sponsor also made a Grant to the Issuer prior to the initial Closing Date pursuant to the terms of the Grant Agreement. See "*Description of the Transaction Documents—Grant*" in this prospectus for a description of the material terms of the Grant and the Grant Agreement.

Under the Master Servicing and Portfolio Administration Agreement, Calvert Impact will act as Master Servicer and master portfolio administrator (in such capacity, the "**Master Portfolio Administrator**") for the CPACE Assets and will be compensated for acting as the Master Servicer and the Master Portfolio Administrator. The Master Servicer may delegate servicing duties to one or more subservicers, including the Subservicer, and the Master Portfolio Administrator may delegate portfolio administration duties to one or more sub-portfolio administrators, including the Sub-Portfolio Administrator.

Since August 7, 2020, the Sponsor, through its affiliate Calvert Impact Capital, Inc., has financed 96 CPACE projects originated by PACE Equity. These projects had an aggregate CPACE financing amount of approximately $515M and total development cost of $3.5B. As of October 31, 2024, 93 CPACE financings totaling approximately $499M were still outstanding. As of October 31, 2024 all projects were performing as agreed.

The Issuer

The Issuer is a Delaware nonstock charitable corporation incorporated on May 28, 2021. The Issuer's principal offices are located at 7550 Wisconsin Avenue, 8th Floor, Bethesda, MD 20814. The Seller will sell and assign a pool of CPACE Assets and other specified property to the Issuer in exchange for the cash sale price therefor, from the proceeds of the Notes on any given date of issuance. The Issuer will from time to time issue asset-backed notes in one or more Classes or Series, in amounts, at prices and on terms to be determined at the time of sale and to be set forth in the related prospectus supplement. The Notes will represent indebtedness of the Issuer and will be issued and secured pursuant to the Indenture. The Issuer will use the proceeds from the sale of the Notes to purchase the CPACE Assets from the Seller and to fund deposits to the Liquidity Reserve Account. The Issuer's assets will consist primarily of the CPACE Assets, which will be pledged as security for the Notes under the

Indenture. In addition to the CPACE Assets, the Issuer will own certain property described under the caption "*Description of the Notes—The Trust Property*" below.

The Issuer has the power and authority:

- to execute, authenticate, deliver and issue each Note and to sell such Notes;
- to acquire, purchase, repurchase, sell, transfer, convey, dispose, contribute, finance, pledge, own, hold, manage, maintain, service, collect, administer, lease, transfer title to any interest in, invest in and otherwise deal with the Trust Property, including, without limitation, any purchases and sales, transfers, assignments, financings, pledges and/or conveyances of CPACE Assets in connection with the Transaction Documents;
- to exercise, enforce, pursue, realize and protect any rights, interests, benefits and remedies arising from or relating to the Trust Property, and to collect, distribute and disburse the Trust Property for the benefit of the noteholders;
- to enter into, execute and deliver from time to time each of the Transaction Documents to which the Issuer is a party and perform its respective obligations thereunder, including to enter into the Indenture and to issue Notes thereunder and to pledge the Trust Property as collateral therefore, to enter into any amendments, supplements or restatements thereto and to perform its obligations thereunder;
- to acquire, collect, hold, manage, invest, distribute and disburse to the persons entitled thereto the proceeds from the Trust Property;
- to engage, retain and contract with other persons to perform the foregoing activities on behalf of the Issuer, including, without limitation, the management, servicing, operation and/or administration of the Trust Property on behalf of the Issuer;
- to engage in and perform any related, ancillary or incidental activities, including entering into other agreements and any amendments, supplements or restatements thereto and issuing any other instruments, that are necessary or appropriate to accomplish the foregoing or are incidental thereto or connected therewith subject to compliance with the Transaction Documents; and
- to engage in such other activities as may be required in connection with conservation of the Trust Property and the making of distributions to the noteholders. The Issuer will not engage in any activity other than the foregoing and any other activities described in this prospectus, in the related prospectus supplement and in the formation documents of the Issuer.

The Sponsor will structure each transaction in an effort to ensure that a bankruptcy of the Sponsor will not result in the consolidation of the Issuer's assets and liabilities with those of the Sponsor. The Issuer will receive a legal opinion for each transaction, subject to various facts, assumptions and qualifications, opining that if the Sponsor was adjudged bankrupt, it would not be a proper exercise of a court's equitable discretion to disregard the separate corporate existence of the Issuer and to require the consolidation of the Issuer's assets and liabilities with those of the Sponsor. However, there can be no assurance that a court would not conclude that the assets and liabilities of the Issuer should be consolidated with those of the Sponsor. Delays in distributions on the Notes and possible reductions in distribution amounts could occur if a court decided to consolidate the Issuer's assets with those of the Sponsor, or if a filing were made under any bankruptcy or insolvency law by or against the Issuer, or if an attempt were made to litigate any of those issues.

The Issuer's Key Personnel

Jennifer Pryce, President

Jennifer Pryce was appointed to the position of President on June 2, 2021. She also serves as President and CEO of Calvert Impact Capital, Inc. Jennifer joined Calvert Impact Capital in 2009 and has previously served as U.S. Portfolio Manager, Vice President of Strategic Initiatives, and Chief Strategy Officer. Prior to Calvert Impact Capital, Jennifer worked with the Nonprofit Finance Fund ("**NFF**"), a national CDFI, as the Director of the Washington Metro Area office. Before NFF, Jennifer also held positions at Wall Street firms, working at Neuberger & Berman as an equity research analyst and Morgan Stanley's London office in the investment banking division. She was a Peace Corps Volunteer in Gabon, Africa, and also worked at The Public Theater in New York City. Jennifer received a Bachelor of Science degree in mechanical engineering from Union College and an MBA from Columbia University.

Derek Strocher, Treasurer

Derek Strocher was appointed to the position of Treasurer on June 2, 2021. He also serves as Chief Financial Officer of Calvert Impact Capital, Inc. Derek has held leadership positions in innovative finance with The World Bank Group; investment banking with The Royal Bank of Scotland; and Treasury and Accounting with large corporations on both sides of the Atlantic. Derek is a licensed professional accountant. He received his Bachelor of Commerce degree from the University of Calgary and his Masters in Finance degree from London Business School. He has substantial experience working with and being a member of boards of directors in the non-profit and for-profit sectors.

Justin Conway, Chief Impact Officer

Justin Conway was appointed to the position of Chief Impact Officer on February 15, 2023. He also serves as the Vice President of Investment Partnerships of Calvert Impact Capital, Inc. Justin joined Calvert Impact Capital in March 2006 and is also a member of Calvert Impact Capital's Staff Investment Committee. Prior to Calvert Impact Capital, Justin managed the Community Investment Program of the Social Investment Forum and Green America and worked on human and economic rights in both Asia and Central America. Justin currently serves on the board of Aeris, and on advisory committees for US SIF, Envest Microfinance Cooperative, and the Global Impact Investing Network. He received a master's degree in Applied Economics from Johns Hopkins University and a bachelor's degree in Sociology and Statistics from James Madison University.

The Issuer's Board of Directors

The Issuer is a wholly-controlled subsidiary of Calvert Impact. Calvert Impact elects the Issuer's board of directors, appoints directors to fill any vacancies, and has the authority to determine from time to time the number of directors serving on the board. Calvert Impact may also remove any director at any time, with or without cause.

No director or officer has been convicted of any criminal activity, is the subject of any pending criminal proceedings, or has been the subject of any order, judgment, or decree of any court enjoining such person from any activities associated with the offer or sale of securities.

Andrew Marino **Director**	Partner, Summa Equity MBA, The Wharton School at University of Pennsylvania BA, Dartmouth College
Dr. Jennifer Isern **Director**	Founder and CEO Catalyze Global Impact, LLC BA, University of Montana MA, Princeton University PhD, Nova Southeastern University

Orlando Figueroa **Director**	Senior Managing Director and Co-Founder, Citadel SPV

The Seller

The Seller, PACE Equity Warehouse C, LLC, a Delaware limited liability company, will sell the CPACE Assets to the Issuer pursuant to the terms of the CPACE Asset Purchase Agreement between the Seller and the Issuer. The Seller is an indirect wholly-owned subsidiary of PACE Equity. The Seller was formed for the limited purpose of purchasing and financing certain CPACE assets in separate financing transactions, and subsequently selling certain CPACE Assets to the Issuer and other affiliates of the Seller. PACE Equity also has performed and will perform a variety of other functions with respect to the origination of the CPACE Assets pursuant to that certain PACE Asset Master Purchase and Sale Agreement, dated August 7, 2020, between the Seller and PACE Equity.

If it is discovered that the Seller has breached certain representations or warranties under the CPACE Asset Purchase Agreement with respect to a CPACE Asset, PACE Equity Warehouse C, LLC will be obligated to repurchase the affected CPACE Asset from the Issuer if the interests of any noteholder therein are materially and adversely affected by such breach.

On October 15, 2024, Aquarian FA Opportunities I LP, acquired a 66% equity interest in PACE Equity Holdco LLC, the direct parent of PACE Equity LLC. Aquarian FA Opportunities I LP is a private fund which is managed by Aquarian Holdings Investment Management LLC and owned by Aquarian Holdings, a diversified global holding company with $19 billion in assets under management. PACE Equity LLC and its management and staff will continue to develop, originate, close, and service the CPACE Assets.

The Subservicer and Sub-Portfolio Administrator

PACE Equity will act as Subservicer pursuant to the Subservicing Agreement. Pursuant to the terms of the Master Servicing and Portfolio Administration Agreement, the Master Servicer may delegate certain servicing duties to a subservicer. Pursuant to the terms of the Subservicing Agreement, the Master Servicer has delegated certain servicing duties to PACE Equity, as a subservicer. The Subservicer will perform those duties pursuant to the terms of the Subservicing Agreement. See "*Description of the Transaction Documents—Subservicing Agreement and Sub-Portfolio Administration Agreement*" in this prospectus for more information regarding the Subservicer's servicing procedures and its rights and duties under the Subservicing Agreement.

PACE Equity will act as Sub-Portfolio Administrator pursuant to the Sub-Portfolio Administration Agreement. Pursuant to the terms of the Master Servicing and Portfolio Administration Agreement, the Master Portfolio Administrator may delegate certain portfolio administration duties to a sub-portfolio administrator. Pursuant to the terms of the Sub-Portfolio Administration Agreement, the Master Servicer has delegated certain servicing duties to PACE Equity, as a sub-portfolio administrator. The Sub-Portfolio Administrator will perform those duties pursuant to the terms of the Sub-Portfolio Administration Agreement. See "*Description of the Transaction Documents—Subservicing Agreement and Sub-Portfolio Administration Agreement*" in this prospectus for more information regarding the Sub-Portfolio Administrator's portfolio administration procedures and its rights and duties under the Sub-Portfolio Administration Agreement.

PACE Equity has been in operation since 2014 and has closed and serviced over 148 commercial PACE projects. Its principal offices are located at 555 E. Wells St., Suite 1510, Milwaukee, WI 53202 and its main telephone number is 833-201-5740.

The Backup Subservicer

Willdan Financial Services will be the Backup Subservicer under the Subservicing Agreement. The Backup Subservicer is a California corporation and its principal offices are located at 27368 Via Industria, Suite 200, Temecula, California 92590.

In the event that PACE Equity LLC is terminated or resigns as Subservicer pursuant to the terms of the Subservicing Agreement, the Backup Subservicer will be the successor in all respects, except as expressly set forth in the Subservicing Agreement, to PACE Equity LLC in its capacity as Subservicer under the Transaction Documents and shall be subject to all the rights, responsibilities, restrictions, duties, liabilities and termination provisions relating thereto placed on the Subservicer by the terms and provisions of the Subservicing Agreement.

Under the Subservicing Agreement, the Backup Subservicer will perform backup subservicing duties as specified in the Subservicing Agreement, including and becoming successor Subservicer if PACE Equity LLC is terminated as Subservicer for any reason, in accordance with the terms of the requirements therein.

For information regarding the transfer of subservicing duties to the Backup Subservicer and the expenses associated with a subservicing transfer and any additional fees charged by a successor subservicer, see "*Description of the Transaction Documents—Subservicing Agreement*" in this prospectus. For information regarding the Backup Subservicer's resignation, removal and replacement see "*Description of the Transaction Documents—Subservicing Agreement*" in this prospectus.

The Indenture Trustee, Custodian and Securities Custodian

U.S. Bank Trust Company, National Association will be the indenture trustee under the Indenture. U.S. Bank National Association ("**U.S. Bank N.A.**") will be the custodian under the Custodial Agreement. U.S. Bank Trust Company, National Association will be the securities custodian under the Securities Custodial Agreement.

U.S. Bancorp, with total assets exceeding $686 billion as of September 30, 2024, is the parent company of U.S. Bank N.A., the fifth largest commercial bank in the United States. U.S. Bank Trust Company, National Association ("**U.S. Bank Trust Co.**") is a wholly owned subsidiary of U.S. Bank National Association (U.S. Bank N.A. and U.S. Bank Trust Co. are collectively referred to herein as "**U.S. Bank**"). As of September 30, 2024, U.S. Bancorp operated over 2,100 branch offices in 26 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with office locations in 46 domestic and 3 international cities. U.S. Bank has provided corporate trust services since 1924. As of September 30, 2024, U.S. Bank was acting as trustee with respect to over 151,000 issuances of securities with an aggregate outstanding principal balance of over $6.2 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations.

U.S. Bank N.A. and other large financial institutions have been sued in their capacity as trustee or successor trustee for certain residential mortgage-backed securities ("**RMBS**") trusts. The complaints, primarily filed by investors or investor groups against U.S. Bank N.A. and similar institutions, allege the trustees caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers to comply with the governing agreements for these RMBS trusts. Plaintiffs generally assert causes of action based upon the trustees' purported failures to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties, notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan servicers and abide by a heightened standard of care following alleged events of default.

U.S. Bank N.A. denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors, that it has meritorious defenses, and it has contested and intends to continue contesting the plaintiffs' claims vigorously. However, U.S. Bank N.A. cannot assure you as to the outcome of any of the litigation, or the possible impact of these litigations on the trustee or the RMBS trusts.

On March 9, 2018, a law firm purporting to represent fifteen Delaware statutory trusts (the "**DSTs**") that issued securities backed by student loans (the "**Student Loans**") filed a lawsuit in the Delaware Court of Chancery against U.S. Bank N.A. in its capacities as indenture trustee and successor special servicer, and three other institutions in their respective transaction capacities, with respect to the DSTs and the Student Loans. This lawsuit is captioned *The National Collegiate Student Loan Master Trust I, et al. v. U.S. Bank National Association, et al.*, C.A. No. 2018-0167-JRS (Del. Ch.) (the "**NCMSLT Action**"). The complaint, as amended on June 15, 2018, alleged that the DSTs have been harmed as a result of purported misconduct or omissions by the defendants concerning administration of the trusts and special servicing of the Student Loans. Since the filing of the NCMSLT Action, certain Student Loan borrowers have made assertions against U.S. Bank N.A. concerning special servicing that appear to be based on certain allegations made on behalf of the DSTs in the NCMSLT Action.

U.S. Bank N.A. has filed a motion seeking dismissal of the operative complaint in its entirety with prejudice pursuant to Chancery Court Rules 12(b)(1) and 12(b)(6) or, in the alternative, a stay of the case while other prior filed disputes involving the DSTs and the Student Loans are litigated. On November 7, 2018, the Court ruled that the case should be stayed in its entirety pending resolution of the first-filed cases. On January 21, 2020, the Court entered an order consolidating for pretrial purposes the NCMSLT Action and three other lawsuits pending in the Delaware Court of Chancery concerning the DSTs and the Student Loans, which remains pending.

U.S. Bank N.A. denies liability in the NCMSLT Action and believes it has performed its obligations as indenture trustee and special servicer in good faith and in compliance in all material respects with the terms of the agreements governing the DSTs and that it has meritorious defenses. It has contested and intends to continue contesting the plaintiffs' claims vigorously.

The Indenture Trustee may resign at any time, in which event the Issuer will be obligated to appoint a successor acceptable to the Majority Controlling Class Noteholders and satisfying the criteria specified below. If the Indenture Trustee resigns, is removed or becomes incapable of acting, or if a vacancy shall occur in the office of the Indenture Trustee for any cause, the Issuer will promptly appoint a successor acceptable to the Majority Controlling Class Noteholders and satisfying the criteria specified below. If, within sixty days after such resignation, removal or incapacity, or the occurrence of such vacancy, the Issuer has not appointed a successor indenture trustee, then the Majority Controlling Class Noteholders will appoint a successor indenture trustee with notice to the Issuer and the outgoing Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor thereto will not become effective until acceptance of the appointment by such successor. Any successor to the office of Indenture Trustee must satisfy the following criteria:

- it must be a corporation, national bank, national banking association, or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred under the Indenture, having a combined capital and surplus of at least $100,000,000, subject to supervision or examination by federal or state authority; and

- it must be unaffiliated with the Master Servicer; and

- it must be an institution whose long-term senior unsecured debt is rated at least "A", or its equivalent, by a nationally recognized statistical rating organization.

Any person into which the Indenture Trustee may be merged or with which it may be consolidated or any person resulting from such merger or consolidation shall be the successor of the Indenture Trustee, provided, however, that such person must meet the eligibility requirements set forth in the Indenture.

U.S. Bank N.A. will serve as Custodian of the CPACE Assets under the Custodial Agreement. The Custodian will hold tangible contracts and maintain control over electronic contracts pursuant to the Custodial Agreement. The Custodial Agreement will provide that the Custodian will be entitled to indemnification by the

Issuer for, and will be held harmless against, any loss, liability or expense incurred in connection with the performance of its duties (including reasonable attorneys' fees) under the Custodial Agreement not resulting from its own willful misconduct or gross negligence. The Custodian will notify the Issuer promptly of any claim for which it may seek indemnity; provided, that, failure by the Custodian to provide such notification will not relieve the Issuer of its obligations under the Custodial Agreement if no prejudice to the Issuer will have resulted from such failure. The Issuer will not be required to reimburse any expense or indemnify against any loss, liability or expense incurred by the Custodian through the Custodian's own willful misconduct or gross negligence.

U.S. Bank Trust Co. will also serve as Securities Custodian with respect to the physical CPACE Assets that are delivered in certificated form (the "**Physical Securities**") under the Securities Custodial Agreement. The Securities Custodian will hold the Physical Securities and maintain control over such physical assets pursuant to the Securities Custodial Agreement. The Securities Custodial Agreement will provide that the Securities Custodian will be entitled to indemnification by the Issuer for, and will be held harmless against, any loss, liability or expense incurred in connection with the performance of its duties (including reasonable attorneys' fees) under the Securities Custodial Agreement not resulting from its own willful misconduct, lack of good faith or negligence.

The Indenture will provide that the Indenture Trustee or any director, officer, employee, agent or Affiliate of the Indenture Trustee (including as paying agent and note registrar) and U.S. Bank N.A. as Bank will be entitled to indemnification by the Issuer for, and will be held harmless against, any loss, liability or expense incurred in connection with the performance of its duties (including reasonable attorneys' fees) under the Indenture not resulting from its own willful misfeasance, bad faith or negligence. The Indenture Trustee will notify the Issuer promptly of any claim for which it may seek indemnity; provided, that, failure by the Indenture Trustee to provide such notification will not relieve the Issuer of its obligations under the Indenture if no prejudice to the Issuer will have resulted from such failure. The Issuer will not be required to reimburse any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indenture Trustee's own willful misconduct, negligence or bad faith.

The CPACE Assets

General

CPACE Assets, the principal component of the Trust Property of the Issuer, are bond or assessment instruments relating to voluntary contractual commercial property-assessed clean energy assessments levied by a municipality or county that advances funds to a commercial property owner (each, an "**Obligor**") in connection with the financing of energy-efficient upgrades and other eligible improvements on the commercial real property parcel of such Obligor.

Unless otherwise specified in the related prospectus supplement, all of the CPACE Assets will be originated through the relevant municipalities, counties, or other jurisdictions specified in the related prospectus supplement.

Various state and local governments have approved programs for the funding and financing of energy conservation and renewable energy improvements on commercial property, which are repaid through the imposition of voluntary special assessments against the real property benefitted by the improvements. This type of financing program is referred to as property assessed clean energy or by the acronym, "**PACE**," and when the related property is a commercial property, "**CPACE**".

CPACE programs provide low-cost, long-term funding for energy efficiency improvements to commercial, industrial, multi-family, and non-profit buildings that may contribute toward reducing greenhouse gas emissions and reducing energy costs for property owners. CPACE-funded improvements can include:

- Efficient insulation, roofing, HVAC systems, lighting, and water heaters;
- Renewable energy generation and storage;

- Water conservation; and
- Wind resistance, earthquake resiliency, and storm hardening.

While CPACE programs can differ in various respects, the programs generally involve a local government making funding available to commercial property owners as a means to finance the costs of installing qualifying improvements.

CPACE financings are typically structured as 20- to 30-year, fully-amortizing loans secured and repaid via special tax assessments on the underlying properties. In many cases, the annual savings in utility costs resulting from energy-related improvements may exceed the amount of the annual assessment payment, which incentivizes property owners to seek the improvements. CPACE assessments may be billed alongside conventional property taxes by the relevant tax authority or collected by third party servicers. In general, CPACE assessments are either on equal footing with or immediately junior to property taxes, and on par with other CPACE assessments. In other words, they are senior to mortgage liens. This seniority status offsets, in part, the risk of non-payment by the property owner to the local government involved. To induce mortgage lenders to consent to this subordination, CPACE financings do not accelerate in the event of default. The CPACE investor's claim in an event of default is limited to the amount needed to bring the CPACE loan current, plus any default interest, fees, and recovery costs. If a property is refinanced or sold, the CPACE assessment remains with the property (i.e., it runs with the land) unless it is prepaid to facilitate a refinancing or sale.

Because CPACE-eligible improvements often relate to a building's core infrastructure, the construction of the improvements usually takes place while the building is unoccupied. Therefore, CPACE financings may include a capitalized interest ("**CAPI**") feature whereby a portion of the CPACE financing amount is set aside for the payment of accrued interest until the property is stabilized. For example, for a project with a total CPACE improvement cost of $1,000,000 and a one-year construction period, if the PACE financing has a coupon of 5%, then the face value of the CPACE Asset would be $1,050,000, representing the $1,000,000 in improvement costs, *plus* the amount needed to pay interest during the construction period. When the CPACE financing is disbursed to the project borrower, $1,000,000 would be deposited in a construction account and $50,000 would be deposited in a CAPI account. During the construction period, the owner of the CPACE Asset would periodically withdraw amounts from the CAPI account to pay accrued interest. The CAPI account will be a segregated account with a depository institution organized under the laws of the United States of America or any one of the states or the District of Columbia (or any domestic branch of a foreign bank), so long as any of the securities of such depository institution have a long-term issuer rating from DBRS of at least "BBB(high)", and if not rated by DBRS, at least "BBB(high)" or the equivalent from Moody's, if rated by Moody's, and at least "BBB(high)" or the equivalent from S&P, if rated by S&P, and it has a combined capital and surplus of at least $200,000,000. The CAPI account will not form part of the Trust Property or secure the Notes and the other obligations of the Issuer under the Indenture. Once the CAPI period ends, the project borrower would make principal and interest payments according to a conventional amortization schedule.

In a typical special assessment financing, a local government charges for interest and costs associated with the amount financed to offset its borrowing costs and expenses incurred in administering the financing. With respect to a CPACE assessment, the interest rate may be higher or lower than that otherwise available from a bank or commercial lending institution. CPACE assessment financing may be particularly attractive to a property owner that is otherwise unable to find financing for improvements on the property, or for whom available retail rates may not be economically feasible.

CPACE programs are based on legal precedents with a 100+ year history in the U.S. that permit local governments to finance public benefit projects via special taxing authorities. Establishing a CPACE program requires action on the part of state, county, and local governments. States must first pass enabling legislation allowing CPACE financing to be offered in the state. The legislation typically (i) establishes a framework for the programs, (ii) authorizes the financing of permitted improvements, and (iii) ensures special assessments are secured by liens on the improved property.

In connection with the issuance of any Notes of the Issuer, a pool of CPACE Assets will make up assets of the Issuer that secure the Notes. With respect to any CPACE Asset, as of the time of purchase by the Issuer (either on the initial Closing Date or from time to time thereafter pursuant to the terms of the CPACE Asset Purchase Agreement), such CPACE Asset will conform to the following eligibility criteria (except for immaterial variations and except for any CPACE Asset for which the majority noteholders, in their sole discretion, have waived one or more of the following criteria in respect of such CPACE Asset):

(i) the CPACE Asset is secured with a special assessment on a related property that is located in an eligible jurisdiction within an eligible state that is either on par with, or immediately junior to, a property tax lien and other municipal liens and on par with other CPACE Assessments, but senior to all other mortgages and liens on the related property;

(ii) each mortgage lender secured by the related property has provided written acknowledgement or consent, if required by statute, acknowledging that the CPACE Assessment related to such CPACE Asset is senior to any obligations owed to such lender;

(iii) the obligor of the CPACE Asset is not in payment default (as determined in accordance with the mortgage statement reviewed in accordance with the underwriting guidelines) on the related mortgage loan for the related property for which such CPACE Asset is originated;

(iv) the first payment date on the CPACE Asset is no later than thirty-six (36) months after the sale of such CPACE Asset to the Issuer;

(v) the number of years elapsed between the first payment date and the final payment date is up to thirty (30) years (subject to statutory limits on weighted average useful life of the financed improvements);

(vi) which, at all times, is encumbered only by the security interest granted by the Issuer in favor of the Indenture Trustee for the benefit of the noteholders;

(vii) does not have one or more payments which have become due but remain unpaid for a period of sixty (60) or more days;

(viii) the obligor of the related CPACE Asset does not have tax payments late by more than sixty (60) days on more than $1,000, unless such failure to pay taxes resulted from administrative issues or contention for the shorter of the thirty-six (36) months prior to such date of determination and the time that obligor of the CPACE Asset has been the current owner of such property;

(ix) the CPACE Asset satisfies all applicable requirements of the underwriting guidelines specified under "*PACE Equity's CPACE Program—Credit Underwriting*" below and was originated or acquired, as applicable, in the ordinary course of business of the Seller;

(x) to the extent the CPACE Asset is a CPACE Assessment, it represents a legal and valid CPACE Assessment;

(xi) to the extent the CPACE Asset is a CPACE Assessment, that CPACE Assessment (i) has not expired or become unenforceable by its terms or unenforceable by operation of applicable law and (ii) equals the outstanding principal amount of the corresponding CPACE Asset, with interest thereon plus any additional related fees and expenses;

(xii) the related CPACE Asset loan-to-value ratio (as-stabilized appraised) is less than 35%;

(xiii) the related debt-to-value ratio (as-stabilized appraised) is less than 100%;

(xiv) the related ratio of net operating income to the amount of total debt service, inclusive of principal and interest payments on mortgage debt and the applicable CPACE Asset, measured in the year in which the property on which the related CPACE Asset is recorded is projected to achieve a certain minimum level of occupancy, net income, or lease-up, as determined by the Seller or the Issuer (but not more than four (4) calendar years after completion of construction of the related project), is at least equal to 1.1x with respect to for-profit properties or 1.0x with respect to not-for-profit properties or, with respect to hotel properties, 1.3x;

(xv) the original principal amount of the CPACE Asset is equal to or greater than $100,000;

(xvi) the original principal amount of the CPACE Asset does not exceed $40,000,000;

(xvii) the CPACE Asset is not encumbered by a federal or state tax lien filed against any debtor under the mortgage loan on the related property for which that CPACE Asset is originated;

(xviii) the debtor under the mortgage loan on the related property for which such CPACE Asset is originated is not subject to a bankruptcy or insolvency proceeding;

(xix) any action, notice or filing has been properly and timely completed (in all material respects) as required by applicable laws in order to establish and maintain the priority and enforceability of the CPACE Asset or the related CPACE Assessment;

(xx) the property relating to the CPACE Asset has not been and is not expected to be designated as a CERCLA brownfield site or superfund site;

(xxi) the CPACE Asset is not originated in respect of any of the following types of property: (i) vacant land (excluding vacant land associated with scheduled new construction); (ii) property located in a government-designated floodway, without having appropriate flood insurance in place; (iii) a property for which insurance requirements (as specified in the applicable underwriting guidelines) have been waived; (iv) a property that has been destroyed or materially damaged (unless such CPACE Asset was made for the purpose of rehabilitating or restoring such property); (v) a property for which a foreclosure proceeding is in effect; or (vi) if a property that is a new construction and neither a certificate of occupancy has been obtained nor is a completion guaranty or repayment guaranty in place;

(xxii) for projects greater than $1,000,000, a Phase I ESA has been conducted for the related property and, if any recognized environmental conditions are identified, appropriate action steps as determined by the ESA provider or an independent environmental consultant are underway; provided that recognized environmental conditions which are controlled are allowed;

(xxiii) in the case of delinquency in payment on such CPACE Asset, the related lien is not extinguishable upon a mortgage foreclosure; and

(xxiv) the CPACE Asset allows for the related lienholder to be entitled to penalties, interest and fees on delinquencies.

Delinquencies, Repossession and Net Loss Information on the CPACE Assets

The related prospectus supplement will describe the delinquency, repossession and net loss experience relating to the CPACE Assets collateralizing any particular issuance of Notes. See "*The CPACE Assets*" in the accompanying prospectus supplement. This information may include, among other things, the experience with respect to all CPACE Assets in the CPACE Asset Portfolio during specified periods. There can be no assurance that the delinquency, repossession and net loss experience on any Trust Property will be comparable to the Sponsor's prior experience.

Maturity and Prepayment Considerations on the CPACE Assessments

The weighted average life of the Notes will be influenced by the rate at which the outstanding amounts of the CPACE Assets backing those Notes are paid. Prepayments on CPACE Assets and accelerated payments resulting from defaults will both shorten the weighted average life of the Notes. The rate of prepayments on the CPACE Assets may be influenced by a variety of economic, financial and other factors. In addition, the Transaction Documents will require the Seller, under specific circumstances, to repurchase CPACE Assets from the Issuer as a result of breaches of certain representations and warranties. Any reinvestment risks resulting from a faster or slower rate of principal repayment on the Notes will be borne entirely by the noteholders.

Each prospectus supplement will provide additional information regarding the maturity and prepayment considerations applicable to the CPACE Assets and Notes of the related issuance. See "*The CPACE Assets*" in the accompanying prospectus supplement.

PACE Equity's CPACE Program

To the extent CPACE Assets are originated under standards and procedures other than those described in this section, those standards and procedures will be described in the related prospectus supplement.

General

PACE Equity has been operating its CPACE finance business since 2014. As of March 31, 2024, PACE Equity had approximately 22 employees and a network of approximately 16 in-market business development staff ("**Market Leaders**"). As of December 31, 2023, PACE Equity had total assets of approximately $445M.

The CPACE Assets have been originated and underwritten by PACE Equity. PACE Equity's business model is providing a turnkey solution for commercial building owners interested in obtaining CPACE financing. PACE Equity assists owners with energy engineering, structuring and origination of CPACE financing, and long-term servicing of the CPACE Assessment. Since 2014, PACE Equity has closed over $555M in CPACE financings across more than 120 projects. PACE Equity's management team has over 100 years of combined experience in the areas of financing, operations, and marketing. Its Vice President – Portfolio Management has over 20 years of experience in the areas of loan administration and construction disbursement management. PACE Equity's corporate officers have actively contributed to the growth and development of the U.S. CPACE industry since its early formative stages.

PACE Equity hires local Market Leaders who use their networks to identify prospective CPACE projects. The Market Leaders prepare draft term sheets and qualification matrices for the projects and deliver them, along with pro forma financial statements, to PACE Equity. PACE Equity uses these materials to analyze the opportunity and identify key issues that should be addressed during the diligence phase. If PACE Equity decides to proceed, it will request additional information from the developer, typically including an appraisal, a phase one environmental report, a rent roll, a construction budget, a copy of architectural drawings, and a schedule of proposed equity contributions. Finally, before proceeding to diligence, PACE Equity may take further steps to qualify the project, including:

- obtaining verbal consent for the CPACE financing from the other project lenders;
- preparing an internal budget for the project reflecting PACE Equity's cost to execute on the financing;
- conducting a background check on the developer;
- obtaining a peer review of the phase one environmental assessment;
- obtaining a title report for the underlying property; and

- notifying the applicable CPACE program administrator about the project.

During the diligence phase, PACE Equity and the property owner develop a detailed scope of work for the CPACE financing. Once complete, a third-party engineering firm reviews the scope of work and calculates the expected energy savings and useful life of the improvements. A typical analysis involves two energy simulations for the building: a baseline reflecting its current state (or applicable code, if certain data is unavailable), and an improved variant with the proposed CPACE upgrades. In addition to the appliances, systems, and materials in the building design, the simulations reflect the building's geometry, orientation, likely use, and meteorological data based on 30-year averages. Depending on the jurisdiction, PACE Equity may use the energy analysis to calculate a savings-to-investment ratio ("**SIR**") for the project. The SIR calculation methodology can vary by jurisdiction but its general purpose is to ensure that the lifetime savings from the efficiency improvements exceed the cost of installation.

In addition to the engineering analysis, PACE Equity performs conventional diligence on the overall project, which typically covers (i) the economic rationale for the project, (ii) the developer's expertise and financial capacity, (iii) the track record of the general contractor, (iv) the potential cash flows from the building, with comparisons against pro formas generated by the owner and appraiser, and (v) construction risk mitigation.

With support from outside counsel, PACE Equity also prepares a program due diligence report for every jurisdiction where it operates. This process includes a review of the relevant CPACE statutes, CPACE lien priority and enforceability, documentation and underwriting requirements, foreclosure, billing and remittance processes, and identification of risk factors. Outside counsel reviews PACE Equity's legal documents to ensure they comply with the requirements for each jurisdiction, including financing and usury laws. PACE Equity obtains legal opinions for each CPACE Asset.

Once the diligence process is complete, PACE Equity's president, executive vice president, and chief investment officer perform a comprehensive review of the transaction. Final approval requires affirmative votes from all three individuals.

PACE Equity services CPACE Assets using proprietary software called Ramp. Ramp stores key data concerning the CPACE financings, program regulations, environmental impact, and the underlying real estate collateral. PACE Equity's data collection, underwriting, closing, and servicing processes are integrated into the Ramp system. Ramp generates amortization schedules for each CPACE financing and tracks collection activity once the assessment payments commence. Construction draws and credit events are also recorded in the system.

Credit Underwriting

Under the terms of the Transaction Documents, all CPACE Assets acquired by the Issuer will satisfy certain underwriting criteria, which will include (but may not be limited to) the following:

- the related CPACE Asset loan-to-value ratio (as-stabilized appraised) will be less than 35%;

- the related CPACE Asset debt-to-value ratio (as-stabilized appraised) will be less than 100%;

- the related ratio of net operating income to the amount of total debt service, inclusive of principal and interest payments on mortgage debt and the applicable CPACE Asset, measured in the year in which the property on which the related CPACE Asset is recorded is projected to achieve a certain minimum level of occupancy, net income, or lease-up, as determined by the Seller or the Issuer (but which shall not be more than four (4) calendar years after completion of construction of the related project), is at least equal to 1.1x with respect to for-profit properties or 1.0x with respect to not-for-profit properties or, with respect to hotel properties, 1.3x;

- CPACE Assets with related properties that have a Rural-Urban Commuting Area Code of greater than five (5) will be subject to a concentration limit of 15% (excluding those not considered esoteric by the rating agency);

- the obligor of the related CPACE Asset will not have had any tax payments late by more than sixty (60) days on more than $1,000, unless such failure to pay taxes resulted from administrative issues or contention for the shorter of the thirty-six (36) months prior to such date of determination and the time that obligor of the CPACE Asset has been the current owner of such property;

- properties relating to CPACE Assets with initial principal amounts of less than $1,000,000 will have received a desktop appraisal within 24 months prior to start of construction; properties relating to CPACE Assets with initial principal amounts of more than $1,000,000 will have received a FIRREA or USPAP-compliant appraisal within 18 months prior to start of construction;

- the initial principal amount of the CPACE Asset will not exceed $40,000,000;

- the number of years elapsed between the first payment date and the final payment date are up to thirty (30) years (subject to statutory limits on weighted average useful life of the financed improvements);

- the lien relating to the CPACE Asset will either be on par with, or immediately junior to, a property tax lien and other municipal liens on the related property and on par with other CPACE Assessments on the related property, but in all cases senior to all other forms of financing, including mortgage liens (and, in the case of delinquency in payment on the CPACE Asset, the related lien will not be extinguishable upon a mortgage foreclosure);

- the CPACE Asset will allow for the related lienholder to be entitled to penalties, interest and fees on delinquencies;

- the mortgage lender on the related property will have provided consent to the lien relating to the CPACE Asset;

- for assets great than $1,000,000, a Phase I ESA has been conducted for the related property and, if any recognized environmental conditions are identified, appropriate action steps as determined by the ESA provider or an independent environmental consultant are underway; provided that recognized environmental conditions which are controlled are allowed;

- the CPACE Asset will comply with program requirements required by state statute or program guidelines and appropriate reports from third-party engineers, if required, must be in place and included in the credit file;

- collection of the CPACE Assets shall be done in compliance with all applicable state statute and program guidelines;

- the loan officer for the related CPACE Asset will be responsible for determining whether the state statute or program guidelines prescribe any additional requirements or underwriting parameters necessary for participation in the applicable program; and

- the CPACE Assets and related properties will not be used for certain activities or businesses, including (but not limited to): weapons and firearms dealers; fossil fuel production, refining and/or distribution; mining; massage parlors; racetracks; gambling; meat production and/or processing; public schools; private prisons; standalone places of worship; pornography; tobacco; illegal activities under federal and/or state law; or other purposes as may present a headline or reputational risk.

CPACE Asset Servicing

PACE Equity manages its business based upon detailed Standard Operating Policies and Processes (“**SOPPs**”) that cover all aspects of the business from front-end CPACE origination, through CPACE Asset closings and ongoing servicing, reporting and administration responsibilities. These SOPPs are continuously improved and updated. Monthly Dashboard Reporting is also conducted with the entire team and includes a Servicing Dashboard with detailed portfolio asset reporting, at-risk and watchlist reporting, and delinquency reporting.

Risk Management

The CPACE Assets are subject to heightened monitoring while the efficiency upgrades are being installed. In general, the CPACE financing is disbursed to Obligors gradually, as installation costs are incurred. Prior to each CPACE disbursement, PACE Equity takes several steps to ensure the project is progressing as expected. These measures typically include:

(i) obtaining a third-party inspection report on the construction progress of the efficiency improvements;

(ii) reviewing an updated project budget and ensuring the sources and uses of funds remain in-balance;

(iii) reviewing all invoices and receipts for costs to be covered with proceeds from the CPACE disbursement;

(iv) performing a lien search on the Obligor;

(v) obtaining lien waivers for all lien-able work and suppliers;

(vi) requiring sworn statements from the project borrower and general contractor; and

(vii) requiring architect certification of the costs to be covered with proceeds from the CPACE disbursement.

Depending on the scope of the project, CPACE proceeds can either be disbursed pro rata with the project lender(s) or on an ad hoc basis. The second option is more common when the CPACE scope of work is limited and/or the project does not involve major construction. Regardless of the disbursement methodology, PACE Equity will generally require that (i) the building owner contribute at least 10% equity before CPACE disbursements occur, and (ii) the CPACE loan-to-value ratio remains below 20% until construction is complete.

In addition to the review that accompanies each disbursement of CPACE funds, PACE Equity regularly monitors the projects for signs of distress. Projects considered to be at higher risk are reviewed at least quarterly. The review process typically includes a search for new liens, judgments, filings by the county clerk and federal courts, and bankruptcy filings. In general, when dealing with distressed projects, holders of CPACE Assets can add their collection costs to the assessment amount. This can create an additional incentive for the building owner or, if necessary, the project lender(s), to pay the CPACE Assessments on time.

Upon project completion, PACE Equity proactively monitors the future CPACE Assessment payments made on the statutory tax payment date. This is to confirm that the related Obligor has made its payment on time to the taxing authority and is an indicator that the CPACE Assessment payment to the Issuer will be received on time by the secured receipt date. If the tax payment is not made on time, there is immediate follow-up with the related Obligor and the taxing authority to remediate.

Use of Proceeds

The Issuer will use the proceeds from the sale of the Notes of a given Series to:

- pay the Seller the purchase price for the CPACE Assets;
- fund any related liquidity reserve account; and

- pay any expenses associated with such issuance.

Description of the Notes

General

The Issuer will issue Notes from time to time on different dates of issuance, or in one or more existing or new Series. The following statements summarize the material terms and provisions common to the Notes. A more detailed description of the Notes of any given Series will appear in the related prospectus supplement. These summaries are subject to all of the provisions of the Transaction Documents for the related Notes and the related prospectus supplement.

Each issuance of Notes will be effected under the related Transaction Documents.

Each Series of Notes may have a different interest rate. The related prospectus supplement will specify the interest rate for each Note being offered thereby, or the initial interest rate and the method for determining subsequent changes to the interest rate.

Notes of any Series may include one or more Classes of Notes that are senior to one or more other Classes of Notes in respect of distributions of interest or principal.

The Trust Property

The Notes will represent debt secured by the CPACE Assets owned by the Issuer (collectively, the "**CPACE Asset Portfolio**"), as well as certain other assets of the Issuer, including all the right, title, and interest of the Issuer in and to (collectively, the "**Trust Property**"):

(i) the CPACE Assets;

(ii) the Transaction Documents (as defined below);

(iii) amounts held in the Collection Account, the Liquidity Reserve Account, or other account established pursuant to the Transaction Documents; and

(iv) all proceeds from the items described above, including all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or other property, to the extent needed to bring the related CPACE Asset current with scheduled payments, and an assignment of rights to proceeds from claims on insurance policies covering the related properties and certain property relating to the CPACE Assets (including the contract files relating to the CPACE Assets).

The CPACE Assets will be purchased by the Issuer from the Seller under the CPACE Asset Purchase Agreement, on the initial Closing Date and from time to time thereafter. Under the Indenture, the Issuer will grant a security interest in the Trust Property to the Indenture Trustee for the benefit of the noteholders. Any proceeds of the Trust Property will be distributed according to the Indenture.

General Payment Terms

Noteholders will be entitled to receive payments on their Notes on specified Distribution Dates. Distribution Dates will occur semi-annually.

The Indenture Trustee or its paying agent will fix the identity of the noteholders as of the Record Date for the purpose of receiving payments on that Distribution Date. The related prospectus supplement and the related Transaction Documents will describe a period, known as the "collection period," that is related to each Distribution Date. Collections on the CPACE Assets during a collection period will be required to be remitted by the Master

Servicer to the Collection Account and transferred to the Indenture Trustee or its paying agent prior to the related Distribution Date and will be used to distribute payments to noteholders on that Distribution Date.

Unless and to the extent specified in the related prospectus supplement, none of the Notes or the CPACE Assets will be guaranteed or insured by any governmental agency or instrumentality, the Sponsor, the Seller, the Master Servicer, Calvert Impact Capital, Inc., the Indenture Trustee, the Custodian, the Securities Custodian or any of their respective affiliates.

Distribution Dates

On each Distribution Date, distributions of principal and interest on each Note will be made by the Indenture Trustee, or a paying agent appointed by the Indenture Trustee, to the persons who are registered as noteholders at the close of business on the Record Date. Distributions will be made in immediately available funds, by wire transfer or otherwise, to the account of a noteholder.

Determination of Principal and Interest

Interest on the Notes will be payable on each Distribution Date. The interest period relating to each Distribution Date will be the six calendar months immediately preceding the calendar month in which that Distribution Date occurs or, for the first Distribution Date, the period after the initial Cutoff Date to the close of business on November 30, 2023.

The method of determining, and the amount of, distributions of principal and interest on a particular issuance of Notes will be described in the related prospectus supplement. Notes of different issuances may bear interest at a different interest rate. Interest on the Notes will be calculated either on the basis of a 360-day year consisting of twelve 30-day months, on the basis of the actual number of days in the interest period over 360.

On each Distribution Date, the Indenture Trustee or a paying agent will distribute to each noteholder an amount equal to the percentage interest represented by the Note held by the noteholder multiplied by the total amount to be distributed on that Distribution Date on account of that Note.

For any Distribution Date, the Indenture Trustee will pay interest on the Notes from the note distribution account after paying accrued and unpaid fees to the Master Servicer and the Master Portfolio Administrator, accrued and unpaid fees and expenses of the Indenture Trustee (including as paying agent and note registrar), the Custodian, the Securities Custodian and the Issuer's other administrative fees, if any. For Notes of any Series that includes two or more Classes, the timing, sequential order, priority of payment, any schedule or formula or other provisions applicable to the determination of distributions among multiple Classes of Notes will be described in the related prospectus supplement.

Prior to each Distribution Date, the Master Servicer will determine the amounts of principal and interest which will be due to noteholders on that Distribution Date.

Any outstanding principal balance of the Notes that has not been previously paid will be payable on the final scheduled Distribution Date for the Notes. The actual date on which the aggregate outstanding principal balance of the Notes is paid may be earlier than the final scheduled Distribution Date for the Notes, depending on a variety of factors.

Interest Rates

The Notes will bear interest at a fixed rate per annum, as more fully described in the related prospectus supplement.

Credit Enhancement

Credit enhancement for the Notes may consist of excess cashflow, overcollateralization, and the Liquidity Reserve Account.

Excess Cashflow. It is anticipated that more interest will be paid on the CPACE Assets each collection period than is necessary to pay the interest earned on the Notes for each such collection period and the fees and expenses to be paid by the Issuer on each Distribution Date (including fees paid to the Master Servicer, Master Portfolio Administrator, Indenture Trustee (including as paying agent and note registrar), Custodian and Securities Custodian), resulting in excess cashflow. In any month, excess cashflow, if any, will be available to maintain the Liquidity Reserve Account at the Liquidity Reserve Account Required Balance.

Overcollateralization. The Notes will be overcollateralized at the Current Overcollateralization Amount.

Liquidity Reserve Account. If, on any Distribution Date, collections on the CPACE Assets are insufficient to cover the payments of certain fees and expenses of the Issuer, interest on the Notes, or principal payments on the Notes that are necessary to pay off the Notes on the final scheduled Distribution Date, amounts on deposit in the Liquidity Reserve Account will be withdrawn to cover such shortfalls. See "*The Liquidity Reserve Account*" below.

On each Distribution Date, any excess cashflow will be deposited to the Liquidity Reserve Account to maintain the amount on deposit equal to or greater than the Liquidity Reserve Account Required Balance; provided that the amount on deposit in the Liquidity Reserve Account will not exceed the aggregate principal amount of the Notes after giving effect to the Distribution Date payments described in the related prospectus supplement. If the amount on deposit in the Liquidity Reserve Account on any Distribution Date, after giving effect to any withdrawals on that Distribution Date, exceeds the lesser of (i) the Liquidity Reserve Account Required Balance and (ii) the aggregate principal amount of the Notes after giving effect to all payments on that Distribution Date, excess amounts will be added to Available Collections and distributed in accordance with the priorities specified under "*Distribution Date Payments*" below.

Distribution Date Payments

Sources of Funds for Distributions

The funds available to the Issuer to make payments on the Notes on each Distribution Date will come from Available Collections (defined below), which will be the only funds that will be used to make payments to noteholders on each Distribution Date. The calculation of funds available to make payments on the Notes is specified in the definition of "Available Collections" below.

"**Administrative Expenses**" means, with respect to any Distribution Date, and subject to an annual maximum of $50,000 for any Series, (a) expenses of the Issuer consisting of fees (other than the Indenture Trustee Fee, the Senior Master Servicing Fee, the Subordinate Master Servicing Fee, the Master Portfolio Administrator Fee, and the Custodian Fee) and out-of-pocket expenses payable or reimbursable to the Indenture Trustee (including as paying agent), the Bank, the Custodian, the Securities Custodian, the Master Servicer, the Master Portfolio Administrator, the rating agencies, or any other service provider, (b) all fees payable to any governmental authority with respect to the CPACE Assets, title fees, internet cloud document storage fees and refiling expenses, and (c) allocable premiums for any policy of property insurance covering the properties associated with the CPACE Assets, in each case to be paid at the written direction of the Issuer.

"**Available Collections**" means, with respect to any Distribution Date, the aggregate amount on deposit in the Collection Account attributable or otherwise allocable to (i) Collections on the CPACE Assets, (ii) investment proceeds and (iii) any funds transferred to the Collection Account from the other accounts established pursuant to the Indenture (including amounts on deposit in the Liquidity Reserve Account in excess of the Liquidity Reserve Account Required Balance), in each case, during the related Collection Period, plus any amounts withdrawn from the Liquidity Reserve Account with respect to such Distribution Date representing any shortfall amount, in accordance with the Indenture.

“**Collection Period**” means, for each Distribution Date, the six calendar months immediately preceding the calendar month in which that Distribution Date occurs or, for the first Distribution Date for any Series, the period after the applicable Cutoff Date to the close of business on the last day of the calendar month preceding the first Distribution Date for such Series.

“**Collections**” means all amounts of interest, principal, prepayment fees and redemption, prepayment or other premiums collected with respect to, and all proceeds of, the CPACE Assets, including, without limitation, all scheduled payments, but excluding Collections attributable to amounts due before the related Cutoff Date for a CPACE Asset and that portion of a scheduled payment due after the related Cutoff Date for such CPACE Asset but attributable to interest accrued before such Cutoff Date.

“**Current Overcollateralization Amount**” means, on any date of determination, the greater of (i) a fixed dollar amount equal to the difference between (a) the aggregate principal amount of the CPACE Assets acquired by the Issuer under the CPACE Asset Purchase Agreement and (b) the aggregate principal amount of Notes issued on each Closing Date and (ii) the Minimum Overcollateralization Amount.

“**Custodian Fee**” means, for any Distribution Date and for any Series or Class of Notes, all accrued and unpaid fees due and owing to the Custodian and the Securities Custodian as specified in the related prospectus supplement.

“**Extraordinary Expenses”** means, with respect to any Distribution Date, unanticipated expenses of the Issuer (other than the Indenture Trustee Fee, the Custodian Fee, the Master Portfolio Administrator Fee, the Senior Master Servicing Fee and the Subordinate Master Servicing Fee) consisting of amounts payable or reimbursable to the Indenture Trustee (including as paying agent), the Bank, the Custodian, the Securities Custodian, the Master Servicer, the Master Portfolio Administrator or any other service provider, by the Issuer pursuant to the terms of the Indenture, the Selling Agent Agreement, the Custodial Agreement, the Securities Custodial Agreement or the Master Servicing and Portfolio Administration Agreement (including, without limitation, any indemnification expenses of the Issuer), in each case to be paid at the written direction of the Issuer; *provided*, that in no event shall the cumulative aggregate amount of Extraordinary Expenses of the Issuer payable to (a) the Indenture Trustee, the Custodian and the Securities Custodian pursuant to clause (1) of the Standard Priority of Payments exceed $150,000 for any single Series in any calendar year and (b) the Master Servicer, the Master Portfolio Administrator and any other service provider, in aggregate, pursuant to clause (2) of the Standard Priority of Payments, exceed $50,000 for any single Series in any calendar year.

“**Indenture Trustee Fee**” means, for any Distribution Date and for any Series or Class of Notes, all accrued and unpaid fees due and owing to the Indenture Trustee as specified in the related prospectus supplement.

“**Liquidity Reserve Account**.” On each Closing Date, an amount will be deposited into the Liquidity Reserve Account, which (a) before the Closing Date of the Series 2025-1 Notes will be at least 0.25% of the expected aggregate principal balance of the Notes of the related Series and (b) on or after the Closing Date of the Series 2025-1 Notes will be at least 0.35% of the expected aggregate principal balance of the Notes of the related Series as of the related Cutoff Date, or such higher amount determined by the Issuer in its reasonable discretion to fund any potential service provider fee obligations. On each Distribution Date, any excess cashflow will be deposited to the Liquidity Reserve Account to maintain the Liquidity Reserve Account Required Balance on deposit therein as of such Distribution Date; provided that the amount on deposit in the Liquidity Reserve Account will not exceed the aggregate principal amount of the Notes after giving effect to the payments described in clauses 1 through 9 under “*Distribution Date Payments—Distribution Date Payments in the Ordinary Course*” below. If the amount on deposit in the Liquidity Reserve Account on any Distribution Date, after giving effect to any withdrawals on that Distribution Date, exceeds the lesser of (i) the Liquidity Reserve Account Required Balance and (ii) the aggregate principal amount of all outstanding Notes after giving effect to all payments on that Distribution Date, excess amounts will be added to Available Collections and distributed in accordance with the priorities set forth under “*Distribution Date Payments—Distribution Date Payments in the Ordinary Course*” below.

“**Liquidity Reserve Account Required Balance**.” An amount equal to at least 0.35% of the aggregate principal balance of all outstanding Notes.

"**Loss Trigger Event**." A Loss Trigger Event occurs and is in effect as of any Distribution Date when the amount of Realized Losses that occurred during preceding 12 months (each such period a "**Loss Measurement Period**") equals or exceeds 1.0% of the aggregate outstanding principal balance of the CPACE Assets as of the last day of such Loss Measurement Period, and ceases to be in effect on the first Distribution Date thereafter on which an aggregate amount of principal of the Notes equal to such realized loss amount has been repaid sequentially to the noteholders, as determined by the Master Servicer.

"**Minimum Overcollateralization Amount**" means, on any date of determination, a fixed dollar amount equal to the product of (i) the aggregate principal amount of the CPACE Assets acquired by the Issuer under the CPACE Asset Purchase Agreement and (ii) three percent (3.0%).

"**Note Interest**" means, with respect to any Distribution Date and each Class of Notes, an amount equal to interest accrued during the related Collection Period at the applicable interest rate on the Outstanding Principal Balance of such Class of Notes, calculated on the basis of a 360-day year consisting of twelve 30-day months.

"**Outstanding Principal Balance**" means, as of any date of determination and with respect to any Class of Notes, the aggregate principal amount of that Class of Notes less the sum of all amounts distributed to the noteholders of that Class of Notes on or prior to such date in respect of principal on that Class of Notes.

"**Outstanding Realized Loss Amount**" means the portion of any Realized Losses that, at any time of determination, has not yet been offset by sequential payments of principal to the noteholders.

"**Principal Distribution Amount**" means, as of any Distribution Date, an amount equal to the aggregate Outstanding Principal Balance of the Notes minus the positive difference between (a) the aggregate balance of the CPACE Assets *minus* (b) the Current Overcollateralization Amount on such Distribution Date; provided, that if such amount is less than $0, $0.

"**Realized Losses**" means any claim for principal in respect of a CPACE Asset in the CPACE Asset Portfolio that is (i) an installment payment with respect to a CPACE Asset that is delinquent for two years or more after its due date, (ii) not recovered as a result of a foreclosure proceeding, tax lien sale, or other enforcement action, (iii) written off by the Master Servicer in accordance with its collection policy, or (iv) no longer secured by the related assessment lien for any reason other than as a result of having been satisfied by the property owner or a foreclosure proceeding, tax lien sale, or other enforcement action.

Distribution Date Payments in the Ordinary Course

On each Distribution Date as of which the Notes have not been accelerated in relation to an Event of Default, on which no Optional Redemption has been exercised, and that is prior to the legal final maturity date, in each case as instructed by the Master Servicer in its monthly Master Servicer report, Available Collections shall be distributed in the following order and priority of payments (the "**Standard Priority of Payments**"):

(i) to the applicable payees, pro rata and on an equal footing, (A) to the Indenture Trustee, the Indenture Trustee Fee and any accrued and unpaid Indenture Trustee Fee plus any Extraordinary Expenses payable to the Indenture Trustee, (B) to the Custodian and the Securities Custodian, the Custodian Fee and any accrued and unpaid Custodian Fee plus any Extraordinary Expenses payable to the Custodian and the Securities Custodian, and (C) all Administrative Expenses, in each case subject to any applicable cap, if any, set forth in the relevant definitions thereof;

(ii) to the Master Servicer and Master Portfolio Administrator, respectively, (A) the Senior Master Servicing Fee, any accrued and unpaid Senior Master Servicing Fee, plus any Extraordinary Expenses payable to the Master Servicer and (B) the Master Portfolio Administrator Fee and any accrued and unpaid Master Portfolio Administrator Fee, in each case subject to any applicable cap, if any;

(iii) if no Loss Trigger Event has occurred and is continuing:

(1) first, to the noteholders of each Class, the aggregate Note Interest for such Distribution Date, pro rata and on an equal footing based on the respective amount of Note Interest due for each Class;

(2) second, to the Liquidity Reserve Account, the amount, if any, necessary to cause the balance in the Liquidity Reserve Account to equal the Liquidity Reserve Account Required Balance;

(3) third, to the noteholders of each Class, the Principal Distribution Amount for such Distribution Date, pro rata and on an equal footing based on the Outstanding Principal Balance of their respective Notes, until the Outstanding Principal Balance of all of all outstanding Notes is reduced to zero;

(iv) if a Loss Trigger Event has occurred and is continuing:

(1) first, the aggregate Note Interest for such Distribution Date applied in the following order of priority: first, to the Class A Noteholders, the Note Interest for the Class A Notes; second, to the Class B Noteholders, the Note Interest for the Class B Notes; and third, to the Class C Noteholders, the Note Interest for the Class C Notes;

(2) second, for deposit to the Liquidity Reserve Account, any amount necessary to cause the balance in the Liquidity Reserve Account to equal the Liquidity Reserve Account Required Balance;

(3) third, an amount equal to the Outstanding Realized Loss Amount applied in the following order of priority: first, to the Class A Noteholders until the Outstanding Principal Balance of all outstanding Class A Notes is reduced to zero; second, to the Class B Noteholders until the Outstanding Principal Balance of all outstanding Class B Notes is reduced to zero; and third, to the Class C Noteholders until the Outstanding Principal Balance of all outstanding Class C Notes is reduced to zero; and

(4) after giving effect to the payment of the amount set forth in the preceding clause, to the noteholders of each Class, the Principal Distribution Amount, pro rata and on an equal footing based on the Outstanding Principal Balance of their respective Notes, until the Outstanding Principal Balance of all outstanding Notes is reduced to zero;

(v) to the Indenture Trustee, the Custodian and the Securities Custodian, pro rata and on an equal footing, any amounts owed but not paid in accordance with clause (i) above;

(vi) to the Master Servicer, the Subordinate Master Servicing Fee, and to the Master Servicer and the Master Portfolio Administrator, any amounts owed but not paid in accordance with clause (ii) above and any other expense owed to any such party; and

(vii) to the Sponsor in repayment of the Grant, any remaining Available Collections.

Distribution Date Payments after an Event of Default

On each Distribution Date (i) on which an Event of Default has occurred and is continuing or the Notes have otherwise been accelerated as a result of an Event of Default, (ii) on which an Optional Redemption has been exercised, or (iii) that is on or after the legal final maturity date, in each case as instructed by the Master Servicer in its monthly Master Servicer report, Available Collections distributed in the following order and priority of payments:

(i) to the applicable payees, pro rata and on an equal footing, (A) to the Indenture Trustee, the Indenture Trustee Fee and any accrued and unpaid Indenture Trustee Fee plus any Extraordinary

Expenses payable to the Indenture Trustee, (B) to the Custodian and the Securities Custodian, the Custodian Fee and any accrued and unpaid Custodian Fee plus any Extraordinary Expenses payable to the Custodian and the Securities Custodian, and (C) all Administrative Expenses, in each case without regard to any applicable cap, if any;

(ii) to the Master Servicer and Master Portfolio Administrator, respectively, (A) the Senior Master Servicing Fee and any accrued and unpaid Senior Master Servicing Fee plus any Extraordinary Expenses payable to the Master Servicer and (B) the Master Portfolio Administrator Fee and any accrued and unpaid Master Portfolio Administrator Fee, in each case subject to any applicable cap, if any;

(iii) to the Class A Noteholders, pro rata and on an equal footing based on the respective Note Interest due on their respective Class A Notes, the Note Interest payable to the Class A Noteholders for such Distribution Date;

(iv) to the Class A Noteholders, pro rata and on an equal footing based on the Outstanding Principal Balance of their respective Class A Notes, until the Outstanding Principal Balance of all outstanding Class A Notes is reduced to zero;

(v) to the Class B Noteholders, pro rata and on an equal footing based on the respective Note Interest due on their respective Class B Notes, the Note Interest payable to the Class B Noteholders for such Distribution Date;

(vi) to the Class B Noteholders, pro rata and on an equal footing based on the Outstanding Principal Balance of the Class B Notes, until the Outstanding Principal Balance of all outstanding Class B Notes is reduced to zero;

(vii) to the Class C Noteholders, pro rata and on an equal footing based on the respective Note Interest due on their respective Class C Notes, the Note Interest payable to the Class C Noteholders for such Distribution Date;

(viii) the Class C Noteholders, pro rata and on an equal footing based on the Outstanding Principal Balance of the Class C Notes, until the Outstanding Principal Balance of all outstanding Class C Notes is reduced to zero;

(ix) to the Master Servicer, the Subordinate Master Servicing Fee, and to the Master Servicer and the Master Portfolio Administrator, any amounts owed but not paid in accordance with clause (ii) above and any other expense owed to any such party; and

(x) to the Sponsor in repayment of the Grant, any remaining Available Collections.

Selling Agent Compensation

The Issuer has contracted InspereX, as the Lead Agent, which in turn has established a selling group of downstream broker-dealers and securities firms. These broker-dealers and securities firms may enter into master selected dealer agreements with InspereX and have the ability to effect sales of the Notes. The agents and dealers who effect transactions of the Notes have agreed to sell the Notes in accordance with the terms of this prospectus and the related prospectus supplement. Prospective investors may contact InspereX at info@insperex.com for a full list of selling group members. Through this relationship with InspereX, the Issuer receives net proceeds from sales of Notes, after sales compensation to InspereX and broker-dealers and securities firms within the selling group, equal to less than 0.50% of the aggregate principal amount of Notes sold. While the Issuer receives net proceeds after sales of less than the full par value, the Issuer uses funds received from operating revenue (including from interest, investments and fees) to cover the discount such that each investor receives the full par value of a Note.

The Issuer estimates that the total expenses, excluding sales compensation, of the offering for the 2024-2025 offering period, the approximately 12-month period beginning on the date of this prospectus, will be less than 1% of the total aggregate offering.

Credit Risk Retention

The risk retention regulations in Regulation RR of the Securities Exchange Act of 1934, as amended ("**Regulation RR**"), require the Sponsor, either directly or through its majority-owned affiliates, to retain an economic interest in the credit risk of the CPACE Assets. The Sponsor will retain the required economic interest in the credit risk of the CPACE Assets to satisfy its obligations under Regulation RR.

The Sponsor intends to satisfy the risk retention requirements of Regulation RR by making a grant (the "**Grant**") to the Issuer, which represents an "eligible horizontal residual interest" under Regulation RR. The fair value of the Grant on each Closing Date will equal at least 5% of the sum of the fair value of all outstanding Notes and the amount of the Grant on that Closing Date. The Sponsor or a majority-owned affiliate of the Sponsor is required to maintain the Grant until the latest of (i) two years from the most recent Closing Date, (ii) the date the aggregate principal balance of the CPACE Assets is one-third or less of the initial aggregate principal balance of the CPACE Assets on any date of determination, or (iii) the date the aggregate outstanding principal amount of the Notes is one-third or less of the initial aggregate principal amount of the Notes. Neither the Sponsor nor any of its affiliates may sell, transfer or hedge their respective exposure to the related residual interest certificates during this period other than as permitted by Regulation RR.

The Grant will constitute an "eligible horizontal residual interest." The Grant represents the right to all funds in excess of amounts needed to make required payments on the Notes, pay fees and expenses of the Issuer or make deposits in the Liquidity Reserve Account. The Grant represents a first-loss interest in the securitization transaction. In general, the Grant represents the rights to amounts on deposit in the Liquidity Reserve Account and excess cashflow, in all cases to the extent those amounts are eligible for distribution in accordance with the Transaction Documents and are not needed to make payments on the Notes or cover losses on the CPACE Assets. The Grant is subordinated to the Notes and is only entitled to amounts that are not needed on a Distribution Date to make payments on the Notes or to make other required payments or deposits according to the priorities of payments described under "*Distribution Date Payments—Distribution Date Payments in the Ordinary Course*" and "*Distribution Date Payments—Distribution Date Payments after an Event of Default*" in this prospectus. The Grant absorbs all losses on the CPACE Assets by reduction of the excess cashflow, overcollateralization, and the amounts on deposit in the Liquidity Reserve Account, before any losses are incurred by the Notes. See "*Offering Summary—Credit Enhancement*" and "*Description of the Notes—Credit Enhancement*" in this prospectus for a description of the credit enhancement available for the Notes, including excess cashflow, overcollateralization and the Liquidity Reserve Account. See "*Description of the Transaction Documents—Grant*" in this prospectus for a description of the material terms of the Grant.

For purposes of determining compliance with Regulation RR, the estimated fair values of the Notes and the Grant and related assumptions are specified in the related prospectus supplement.

In no event will the Indenture Trustee, the Custodian or the Securities Custodian have any obligation to monitor or enforce compliance with any risk retention rules, including Regulation RR.

Post-Closing Date Disclosure: The first monthly Master Servicer report following each Closing Date will include the fair value of the Grant and the fair value necessary to comply with Regulation RR, each based on actual sale prices and note sizes and each expressed as a percentage of the fair value of the Notes and the Grant and as a dollar amount and descriptions of any material differences between the valuation methodology or any of the key inputs and assumptions that were used in calculating the fair value or range of fair values disclosed in the applicable prospectus supplement and those used to calculate the fair value as of the related Closing Date as set forth in such monthly Master Servicer report.

Impact Management and Related Reporting

Pursuant to the Shared Services and Cost Reimbursement Agreement dated as of January 1, 2023, CIC will provide impact measurement and monitoring ("**IMM**") services in connection with the Notes. In performing this work, CIC will use industry best practices, in alignment with standards such as the Operating Principles for Impact Management (the "**Impact Principles**") and the Green Bond Principles promulgated by the International Capital Market Association (the "**Green Bond Principles**"). The Impact Principles mandate the integration of impact management into the investment management lifecycle and require annual disclosure and periodic independent verification of the alignment of a signatory's IMM practices. The Sponsor will publish an annual disclosure statement on its website, which will also be published on the Impact Principles website at https://www.impactprinciples.org. The Sponsor will also publish a periodic independent verification report verifying its IMM policies and procedures on its website and the Impact Principles website.

CIC measures and manages impact at both a transaction and portfolio level, as aligned with the Impact Principles. Impact management for the CPACE Assets begins during due diligence of project borrowers, with an engineering analysis of the efficiency improvements that will be installed with the CPACE financing. A typical engineering analysis calculates baseline values for utility consumption and carbon intensity and estimates the savings that will result from the efficiency improvements. For a CPACE Asset to be eligible for purchase by the Issuer, the related project must be engineered to be more efficient than its baseline performance or the applicable building code.

In addition, the Issuer, or CIC as provider of IMM services, will review prospective CPACE projects in an effort to assess their overall social and environmental impact. This review process includes an attempt to assess (i) each project's expected carbon reductions, (ii) the risk that the project will not meet its carbon reduction goals, and (iii) the risk that a project's building operations will result in significant negative social or environmental impacts. Properties that meet the NBI Low Carbon Standard may be eligible for reduced pricing on the related CPACE financing. The NBI is a nonprofit organization with over 20 years of experience developing sustainable building codes. Its mission is to achieve better buildings that are carbon neutral through research, policy, guidance, and market transformation.

CIC will receive direct access to impact and other portfolio data and will monitor and analyze impact data on a quarterly basis. The Sponsor will share an impact report with all investors via its website on an annual basis. The impact report will contain impact indicators in alignment with the Green Bond Principles and other industry standards, such as the Global Impact Investing Network's IRIS+ impact indicators taxonomy system. Impact indicators monitored and reported will be based on industry evidence and best practice, as well as data availability and investor reporting preferences. The Sponsor's impact reporting will include the projected percentage change in energy and water savings over baseline levels over the life of the projects. When relevant, CIC will conduct repayment or exit assessments to evaluate the impact achieved through the CPACE Asset.

Description of the Accounts

The Collection Account. The Indenture Trustee will maintain a segregated account (the "**Collection Account**") in the name of the Issuer, bearing a designation clearly indicating that such account and all funds deposited therein are held for the exclusive benefit of the noteholders. The Indenture Trustee will credit to the Collection Account: (a) all amounts received with respect to the CPACE Assets, including amounts received as interest payments, principal payments, fees and all other amounts received in connection with the CPACE Assets; and (b) any amounts transferred to the Collection Account from the other accounts established pursuant to the Indenture. Money on deposit in the Collection Account will be used to make the payments, allocations and transfers described under the captions "*Description of the Notes—Distribution Date Payments in the Ordinary Course*" and "*Description of the Notes—Distribution Date Payments after an Event of Default*" in this prospectus.

The Liquidity Reserve Account. The Indenture Trustee will maintain a segregated account (the "**Liquidity Reserve Account**") in the name of the Issuer, bearing a designation clearly indicating that such account and all funds deposited therein are held for the exclusive benefit of the noteholders. On each Distribution Date, the Indenture Trustee (or its paying agent) will deposit or cause to be deposited into the Liquidity Reserve Account the amount required pursuant to the Indenture. At all times the Issuer will maintain in the Liquidity Reserve Account an amount equal to at least 0.35% of the aggregate principal balance of all outstanding Notes (the "**Liquidity Reserve Account Required Balance**"). On each Distribution Date, the Indenture Trustee (or its paying agent) will deposit into the Liquidity Reserve Account an amount sufficient to maintain the Liquidity Reserve Account Required Balance as of such Distribution Date. If, on any Distribution Date, Collections on the CPACE Assets are insufficient to cover the payments of certain fees and expenses of the Issuer, interest on the Notes, or principal payments on the Notes that are necessary to pay off the Notes on the final scheduled Distribution Date, amounts on deposit in the Liquidity Reserve Account will be withdrawn to cover such shortfalls.

Book-Entry Registration

Upon issuance, the Notes will be available in book-entry form. Investors in the book-entry notes will hold their Notes through DTC, in the United States. The Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's nominee) or such other name as may be requested by an authorized representative of DTC.

The Notes will be tradable as home market instruments in the U.S. domestic market. Initial settlement and all secondary trades will settle in same-day funds. Secondary market trading between investors through DTC will be conducted according to DTC's rules and procedures applicable to U.S. corporate debt obligations.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants, or "**Direct Participants**", deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited notes, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of definitive notes. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, or "**DTCC**". DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, or "**Indirect Participants**". The DTC rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each note, or a "beneficial owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct and Indirect Participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of beneficial owners. Beneficial owners will not receive definitive notes representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Transaction Documents. For example, beneficial owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to beneficial owners. In the alternative, beneficial owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within a particular issuance are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issuance to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC would mail an omnibus proxy to the Issuer as soon as possible after the Record Date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the Record Date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' account upon DTC's receipt of funds and corresponding detail information from the Issuer or its agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC nor its nominee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the beneficial owners will be the responsibility of Direct and Indirect Participants.

A beneficial owner shall give notice to elect to have its Notes purchased or sold through its participant and shall effect delivery of such Notes by causing the Direct Participant to transfer the participant's interest in the Notes, on DTC's records. The requirement for physical delivery of the Notes in connection with a sale will be deemed satisfied when the ownership rights in the Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of sold Notes to the purchaser's account.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor depository is not obtained, definitive Notes are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, definitive notes will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Secondary Market Trading

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date. Secondary market trading between DTC participants will be settled using the procedures applicable to asset-backed notes issues in same-day funds.

Reports to Noteholders

On or prior to each Distribution Date, the Master Servicer or the Indenture Trustee will make available, or cause to be made available, to each noteholder of record or post to a designated website a statement or statements with respect to the Trust Property, prepared by the Master Servicer, generally describing the following information:

- the amount of the distribution allocable to principal;
- the amount of the distribution allocable to interest;
- the pool balance, if applicable, as of the close of business on the last day of the related collection period;
- the aggregate Outstanding Principal Balance of the Notes after giving effect to all payments reported under the first bullet point above on the Distribution Date;
- the amount paid to the Master Servicer, if any, with respect to the related collection period;
- the amount of the aggregate purchase amounts for CPACE Assets that have been repurchased, if any, for the related collection period;
- the amount of the aggregate purchase amounts for any new CPACE Assets that have been purchased pursuant to the terms of the CPACE Asset Purchase Agreement, if any, for the related collection period; and
- impact metrics for the CPACE Assets.

Any additional information to be described in statements to noteholders of a Series will be detailed in the accompanying prospectus supplement for the related issuance.

Within the prescribed period of time for tax reporting purposes after the end of each calendar year, the Indenture Trustee will make available to the noteholders a statement, prepared by the Master Servicer, of the amounts of the distribution allocable to principal and to interest, respectively, for that calendar year and any other information required by applicable tax laws.

Description of the Transaction Documents

Each issuance of Notes will be effected in connection with the entry into Transaction Documents which will effect the transfer of CPACE Assets to the Issuer and the issuance of the Notes. The following paragraphs describe the material provisions expected to be in those Transaction Documents. The term "**Transaction Documents**" as used with respect to the Issuer means, except as otherwise specified, any and all agreements relating to the transfer and servicing of the CPACE Assets and the issuance of the Notes, including without limitation the CPACE Asset Purchase Agreement, the Master Servicing and Portfolio Administration Agreement, the Subservicing Agreement, the Sub-Portfolio Administration Agreement, the Indenture and the Grant.

CPACE Asset Purchase Agreement

Pursuant to the CPACE Asset Purchase Agreement among the Seller, as seller, PEQ Calvert, LLC, as Parent, and the Issuer, as purchaser, the Seller agrees to sell and assign its right, title and interest in and to the CPACE Assets to the Issuer from time to time, and the Issuer agrees to purchase such CPACE Assets. The Issuer will purchase each CPACE Asset at a price equal to 102.50% of the aggregate outstanding principal balance of that CPACE Asset as of the related Cutoff Date plus the interest accrued and unpaid on the CPACE Asset prior to that Cutoff Date, and will purchase each CPACE Assessment at a price equal to 102.50% (respectively, the applicable "**CPACE Asset Purchase Price**"). The CPACE Asset Purchase Agreement will contain certain representations, warranties and covenants of each of the Seller and the Issuer, along with certain conditions to the obligations of each of the Seller and the Issuer with respect to the CPACE Assets and the transactions contemplated by the CPACE Asset Purchase Agreement.

In connection with the initial purchase of CPACE Assets by the Issuer, simultaneously with the transactions set forth in the Indenture and the other Transaction Documents, the Seller transferred to the Issuer all of its right, title, interest and benefits in and to the initial CPACE Assets and all moneys received thereon on or after the initial Cutoff Date for such CPACE Assets pursuant to the CPACE Asset Purchase Agreement. In consideration of the sale and transfer of the initial CPACE Assets, the Seller, on the date of such sale to the Issuer, received an amount equal to the related CPACE Asset Purchase Price in immediately available funds.

Pursuant to the CPACE Asset Purchase Agreement, the Seller will subsequently sell and transfer to the Issuer all of its right, title, interest and benefits in and to additional CPACE Assets and all moneys received thereon on or after the applicable Cutoff Date and subsequent CPACE Assets will be sold and transferred by the Seller to the Issuer and granted by the Issuer to the Indenture Trustee only if each of the applicable conditions precedent in the Indenture have been satisfied. Upon three (3) business days' prior written notice given by the Issuer to the Indenture Trustee, the Issuer will cause the Indenture Trustee, on the date of such purchase of additional CPACE Assets, to distribute to the Issuer, which will pay the Seller, an amount equal to the CPACE Asset Purchase Price with respect to the related additional CPACE Assets in immediately available funds.

The Seller will be obligated to repurchase from the Issuer any CPACE Asset transferred to the Issuer or pledged to the Indenture Trustee if the interest of the noteholders is materially adversely affected by a breach of any representation or warranty made by the Seller with respect to the CPACE Asset, which breach has not been cured within a specified period of time following the discovery by or notice to the Seller as specified in the CPACE Asset Purchase Agreement. In addition, if such a breach has occurred, the Seller may from time to time substitute other CPACE Assets for CPACE Assets currently owned by the Issuer under conditions described in the Transaction Documents.

Master Servicing and Portfolio Administration Agreement

Pursuant to the terms of the Master Servicing and Portfolio Administration Agreement between the Issuer, the Master Servicer, the Master Portfolio Administrator and the Indenture Trustee, the Master Servicer has primary responsibility for servicing the CPACE Assets and the Master Portfolio Administrator provides certain services relating to the administration of the portfolio of CPACE Assets. The Master Servicer's and the Master Portfolio Administrator's servicing and administration duties, respectively, are specified in the Master Servicing and Portfolio Administration Agreement and include, but are not limited to, certain payment and disbursement activities, including depositing any payments it receives on the CPACE Assets into the Collection Account, performing certain data collection and analysis functions relating to the CPACE Assets, performing certain customer service functions relating to the CPACE Assets, performing certain data auditing functions relating to the CPACE Assets, monitoring and reporting on certain performance metrics and other specific data and events relating to the CPACE Assets, and preparing and sending monthly reports on the performance of the CPACE Assets to the noteholders and certain parties to the Transaction Documents. The Master Servicer will receive two forms of compensation for its activities under the Master Servicing and Portfolio Administration Agreement. On each Distribution Date, the Master Servicer will be entitled to receive a "**Senior Master Servicing Fee**", which is payable before payments are made on the Notes and a "**Subordinate Master Servicing Fee**", which is payable after payments are made on the Notes. On each Distribution Date, the Master Portfolio Administrator will be entitled to receive a "**Master Portfolio Administrator Fee**", which is payable before payments are made on the Notes. As specified in the Master Servicing and Portfolio Administration Agreement, the Master Servicer and the Master Portfolio Administrator each may delegate some or all of its respective servicing and administration duties to one or more subservicers or sub-portfolio administrators, as applicable. As described more fully in under "*Subservicing Agreement and Sub-Portfolio Administration Agreement*" below, the Master Servicer will delegate certain tasks to the Subservicer pursuant to the terms of the Subservicing Agreement and the Master Portfolio Administrator will delegate certain tasks to the Sub-Portfolio Administrator. The Master Servicer will be responsible for all fees of the Subservicer specified in the Subservicing Agreement, and the Master Portfolio Administrator will be responsible for all fees of the Sub-Portfolio Administrator specified in the Sub-Portfolio Administration Agreement. The related prospectus supplement discloses the amounts of the Senior Master Servicing Fee, the Subordinate Master Servicing Fee and the Master Portfolio Administrator Fee.

A Master Servicer termination event (each, a "**Master Servicer Termination Event**") under the Master Servicing and Portfolio Administration Agreement occurs upon:

- a material breach by the Master Servicer of any of its representations or warranties or agreements set forth in any securitization document which has not been cured within the applicable grace period and, in the absence of a specific grace period, within sixty (60) days, in the determination of the Indenture Trustee (at the written direction of the Majority Controlling Class Noteholders); or

- entry by a court having jurisdiction over the Master Servicer of (i) a decree or order for relief in respect of the Master Servicer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Master Servicer, as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Master Servicer under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Master Servicer, or of any substantial part of its property, or ordering the winding up or liquidation of the Master Servicer's affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than sixty (60) consecutive days; or

- commencement by or on behalf of the Master Servicer of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer to the entry of a decree or order for relief in respect of the Master Servicer in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer, or the filing by or on behalf of the Master Servicer of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by the Master Servicer to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Master Servicer or of any substantial part of the Master Servicer's property, or the making by or on behalf of the Master Servicer of an assignment for the benefit of creditors, or the admission by the Master Servicer in writing of the Master Servicer's inability to pay its debts generally as they become due, or the taking of corporate action by or on behalf of the Master Servicer in furtherance of any such action.

Following the occurrence of a Master Servicer Termination Event under the Master Servicing and Portfolio Administration Agreement, so long as such Master Servicer Termination Event has not been remedied within the applicable grace period, if any, or waived by the Indenture Trustee (acting at the written direction of the Majority Controlling Class Noteholders), the Indenture Trustee (acting at the prior written direction of the Majority Controlling Class Noteholders) may terminate the Master Servicing and Portfolio Administration Agreement or the rights of the Master Servicer under the Master Servicing and Portfolio Administration Agreement, or appoint a successor master servicer selected by the Majority Controlling Class Noteholders under the Master Servicing and Portfolio Administration Agreement. No such action shall be required in the event of an insolvency of the Master Servicer, in which case such termination of the Master Servicer shall be automatic. After the removal or resignation of the Master Servicer, the Issuer will appoint a successor servicer (with the consent of the Indenture Trustee, acting at the prior written direction of the Majority Controlling Class Noteholders) which will succeed to all rights and assume all of the responsibilities, duties and liabilities of the Master Servicer with respect to the CPACE Assets. Any successor to the Master Servicer will be required to meet the requirements set forth in the Master Servicing and Portfolio Administration Agreement.

Any resignation of the Master Servicer will become effective only upon the appointment, and acceptance of such appointment, of a successor master servicer that is subject to the approval of the Issuer and the consent of the Indenture Trustee (acting at the written direction of the Majority Controlling Class Noteholders) and notice to the rating agencies rating the Notes and meets the requirements set forth in the Master Servicing and Portfolio Administration Agreement.

A Master Portfolio Administrator termination event (each, a "**Master Portfolio Administrator Termination Event**") under the Master Servicing and Portfolio Administration Agreement occurs upon:

- a material breach by the Master Portfolio Administrator of any of its representations or warranties or agreements set forth in any securitization document which has not been cured within the applicable grace period and, in the absence of a specific grace period, within sixty (60) days, in the determination of the Indenture Trustee (at the written direction of the Majority Controlling Class Noteholders); or

- entry by a court having jurisdiction over the Master Portfolio Administrator of (i) a decree or order for relief in respect of the Master Portfolio Administrator in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Master Portfolio Administrator, as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of or for the Master Portfolio Administrator under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Master Portfolio Administrator, or of any substantial part of its property, or ordering the winding up or liquidation of the Master Portfolio Administrator's affairs, and the continuance of any such decree or order for relief or any such other decree or order not stayed or dismissed and in effect for a period of more than sixty (60) consecutive days; or

- commencement by or on behalf of the Master Portfolio Administrator of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer to the entry of a decree or order for relief in respect of the Master Portfolio Administrator in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer, or the filing by or on behalf of the Master Portfolio Administrator of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by the Master Portfolio Administrator to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of or for the Master Portfolio Administrator or of any substantial part of the Master Portfolio Administrator's property, or the making by or on behalf of the Master Portfolio Administrator of an assignment for the benefit of creditors, or the admission by the Master Portfolio Administrator in writing of the Master Portfolio Administrator's inability to pay its debts generally as they become due, or the taking of corporate action by or on behalf of the Master Portfolio Administrator in furtherance of any such action.

Following the occurrence of a Master Portfolio Administrator Termination Event under the Master Servicing and Portfolio Administration Agreement, so long as such Master Portfolio Administrator Termination Event has not been remedied within the applicable grace period, if any, or waived by the Indenture Trustee (acting at the written direction of the Majority Controlling Class Noteholders), the Indenture Trustee (acting at the prior written direction of the Majority Controlling Class Noteholders) may terminate the Master Servicing and Portfolio Administration Agreement or the rights of the Master Portfolio Administrator under the Master Servicing and Portfolio Administration Agreement, or appoint a successor master portfolio administrator (selected by the Majority Controlling Class Noteholders) under the Master Servicing and Portfolio Administration Agreement. No such action shall be required in the event of an insolvency of the Master Portfolio Administrator, in which case such termination of the Master Portfolio Administrator shall be automatic. After the removal or resignation of the Master Portfolio Administrator, the Issuer will appoint a successor portfolio administrator (with the consent of the Indenture Trustee, acting at the prior written direction of the Majority Controlling Class Noteholders) which will succeed to all rights and assume all of the responsibilities, duties and liabilities of the Master Portfolio Administrator with respect to the CPACE Assets. Any successor to the Master Portfolio Administrator will be required to meet the requirements set forth in the Master Servicing and Portfolio Administration Agreement.

Any resignation of the Master Portfolio Administrator will become effective only upon the appointment, and acceptance of such appointment, of a successor master portfolio administrator that is subject to the approval of the Issuer and the consent of the Indenture Trustee (acting at the written direction of the Majority Controlling Class Noteholders) and notice to the rating agencies rating the Notes and meets the requirements set forth in the Master Servicing and Portfolio Administration Agreement.

The Master Servicing and Portfolio Administration Agreement generally may be amended from time to time by the parties thereto, including the Indenture Trustee acting at the prior written direction of the Majority Controlling Class Noteholders.

Subservicing Agreement and Sub-Portfolio Administration Agreement

The Master Servicer and Master Portfolio Administrator, respectively, may employ subservicers and sub-portfolio administrators for any of its servicing and administration functions in its sole and absolute discretion. Any such arrangements shall be consistent with the servicing arrangements contemplated under the Master Servicing and Portfolio Administration Agreement and the Master Servicer and the Master Portfolio Administrator shall remain obligated and liable to the Indenture Trustee, the Issuer, and the noteholders for the servicing and administration of the CPACE Assets in accordance with the provisions of the Master Servicing and Portfolio Administration Agreement, without diminution of such obligation or liability by virtue of such arrangements and to the same extent and under the same terms and conditions as if the Master Servicer and Master Portfolio Administrator alone, respectively, were servicing and administering those CPACE Assets. If a subservicer or sub-portfolio administrator fails to perform its duties pursuant to any subservicing agreement or sub-portfolio administration agreement, the Master Servicer or the Master Portfolio Administrator, respectively, will be required to perform the servicing and administration functions previously performed by such subservicer or sub-portfolio administrator or cause another subservicer or sub-portfolio administrator, as applicable, to perform such duties, to the extent such servicing or portfolio administration functions or duties are required by the Master Servicing and Portfolio Administration Agreement. The Master Servicer shall give written notice to the Indenture Trustee and the Issuer within thirty (30) days following its appointment of any subservicer other than PACE Equity as Subservicer under the Subservicing Agreement. The Master Portfolio Administrator shall give written notice to the Indenture Trustee and the Issuer within thirty (30) days following its appointment of any sub-portfolio administrator other than PACE Equity as Sub-Portfolio Administrator under the Sub-Portfolio Administration Agreement. Any such subservicing agreement or sub-portfolio administration agreement, respectively, will be consistent with and not violate the provisions of the Master Servicing and Portfolio Administration Agreement.

The Master Servicer and Master Portfolio Administrator have engaged the Subservicer and the Sub-Portfolio Administrator, respectively, to perform certain servicing and portfolio administration activities with respect to the CPACE Assets. Pursuant to the terms of the Subservicing Agreement and the Sub-Portfolio Administration Agreement, these servicing and portfolio administration activities relating to the CPACE Assets include certain payment and disbursement activities, depositing any payments received on the CPACE Assets into the Collection Account, performing certain data collection and analysis functions relating to the CPACE Assets, performing certain customer service functions relating to the CPACE Assets, performing certain data auditing functions relating to the CPACE Assets, monitoring and reporting on certain performance metrics and other specific data and events relating to the CPACE Assets, and preparing and sending monthly reports on the performance of the CPACE Assets to the noteholders and certain parties to the Transaction Documents.

If the Master Servicer removes the Subservicer or terminates the Subservicing Agreement in accordance with the terms thereof, then the Master Servicer will make a good faith effort to replace the Subservicer with a new subservicer. If the Master Servicer is unable to find a replacement subservicer, it will perform the obligations previously performed by the Subservicer, in its capacity as Master Servicer. Additionally, under the Subservicing Agreement, the Master Servicer may elect to transfer the subservicing of the CPACE Assets from the Subservicer to any successor subservicer appointed by the Master Servicer, subject to the payment of any applicable deboarding or transfer fees owed under the Subservicing Agreement. The payment of any such deboarding or transfer fees under the Subservicing Agreement will be an obligation solely of the Master Servicer, and not the Issuer. The Subservicing

Agreement may also be terminated by the Master Servicer without payment of any fee upon the expiration of the term of the Subservicing Agreement and the occurrence of certain events, including, but not limited to, subservicer events of default relating to the Subservicer's failure to remit payments as required under the Subservicing Agreement, subject to grace periods, certain material representation, warranty or covenant breaches or failures by the Subservicer, certain insolvency events relating to the Subservicer, or as a result of certain inaccuracies relating to data or information prepared or provided by the Subservicer under the Subservicing Agreement.

If the Master Portfolio Administrator removes the Sub-Portfolio Administrator or terminates the Sub-Portfolio Administration Agreement in accordance with the terms thereof, then the Master Portfolio Administrator will make a good faith effort to replace the Sub-Portfolio Administrator with a new sub-portfolio administrator. If the Master Portfolio Administrator is unable to find a replacement sub-portfolio administrator, it will perform the obligations previously performed by the Sub-Portfolio Administrator, in its capacity as Master Portfolio Administrator. Additionally, under the Sub-Portfolio Administration Agreement, the Master Portfolio Administrator may elect to transfer the subservicing of the CPACE Assets from the Sub-Portfolio Administrator to any successor sub-portfolio administrator appointed by the Master Portfolio Administrator, subject to the payment of any applicable deboarding or transfer fees owed under the Sub-Portfolio Administration Agreement. The payment of any such deboarding or transfer fees under the Sub-Portfolio Administration Agreement will be an obligation solely of the Master Portfolio Administrator, and not the Issuer. The Sub-Portfolio Administration Agreement may also be terminated by the Master Portfolio Administrator without payment of any fee upon the expiration of the term of the Sub-Portfolio Administration Agreement and the occurrence of certain events, including, but not limited to, sub-portfolio administrator events of default relating to the Sub-Portfolio Administrator's failure to remit payments as required under the Sub-Portfolio Administration Agreement, subject to grace periods, certain material representation, warranty or covenant breaches or failures by the Sub-Portfolio Administrator, certain insolvency events relating to the Sub-Portfolio Administrator, or as a result of certain inaccuracies relating to data or information prepared or provided by the Sub-Portfolio Administrator under the Sub-Portfolio Administration Agreement.

The Indenture

General

The following summaries describe certain provisions of the Indenture, pursuant to which the Issuer will issue the Notes, not described elsewhere in this prospectus. The summaries do not purport to be complete and are qualified in their entirety by reference to the provisions of the Indenture.

Certain Covenants

For so long as the Notes are outstanding, except in connection with the consummation of one of the transactions contemplated by the following sentence, the Issuer may not liquidate or dissolve and must maintain its continued existence. The Issuer also may not consolidate or merge with or into any other person or, except as described herein, convey or transfer its properties and assets substantially as an entirety without the consent of the Super-Majority Noteholders, and unless (a) the person (if other than the Issuer) formed or surviving such merger or consolidation or acquiring such assets will have expressly assumed, by supplemental indenture in form satisfactory to the Indenture Trustee, the due and punctual payment of principal of and interest on all Notes and the performance of every applicable covenant of the Indenture to be performed, by the Issuer, (b) immediately after giving effect to such transaction, no default or Event of Default will have occurred, and be continuing, (c) the Indenture Trustee has received written confirmation from each rating agency rating the Notes to the effect that the consummation of such transaction will not cause such rating agency to qualify, downgrade or withdraw its then current rating of any of the Notes, and (d) the Indenture Trustee has received from the Issuer an officer's certificate and an opinion of counsel, each to the effect that, among other things, such transaction will not have any material adverse tax consequence to the Issuer or any noteholder and that such transaction complies with the foregoing requirements.

The Issuer may not incur, assume, have outstanding or guarantee any indebtedness other than the Notes issued pursuant to the Indenture.

New Issuances

In conjunction with the issuance of any new Series of Notes, the Issuer shall have received a confirmation from any applicable Rating Agency that such issuance will not result in (i) a withdrawal of the credit rating on any outstanding Notes by the respective Rating Agency or (ii) the assignment of a credit rating on any outstanding Notes by the respective Rating Agency below the lower of (A) the then-current credit rating on any outstanding Notes or (B) the initial credit ratings assigned to the applicable Notes by the respective Rating Agency (in each case, without negative implications); provided that, if any Rating Agency fails to respond within fifteen (15) days of receipt of such notice, confirmation from such Rating Agency is deemed to be given.

Events of Default

The Indenture provides that any of the following will constitute an event of default (each, an "**Event of Default**") with respect to the Notes:

(i) failure of the Issuer, as of the legal final maturity date, to (x) pay or have paid all interest on the Notes remaining outstanding and unpaid in full and (y) reduce or have reduced the aggregate principal balance of the Notes to zero;

(ii) failure of the Issuer to pay or have paid (i) all Note Interest and (ii) any principal amounts due and payable to noteholders of any Class of Notes on any Distribution Date;

(iii) default by the Issuer in the observance or performance of certain covenants or agreement of the Issuer made in the Indenture and the other Transaction Documents (subject to any applicable cure period);

(iv) certain events of bankruptcy relating to the Issuer or the Issuer's property (subject to any applicable cure period);

(v) failure of the Indenture or the other Transaction Documents and the related financing statements to create, attach and perfect a valid first-priority security interest in any material portion of the Trust Property (subject to any applicable cure period);

(vi) the Issuer becoming a taxable mortgage pool that is taxable as a corporation for U.S. federal or state income tax purposes;

(vii) final non-appealable judgment in the amount of $500,000 or more against the Issuer not discharged, satisfied or stayed within sixty (60) days and not promptly funded by insurance coverage;

(viii) certain breaches of representations or warranties of the Issuer (subject to any applicable cure period);

(ix) a statute, rule or regulation of a competent legislative or governmental rule-making body is adopted in final form, or there is a final, non-appealable judgment of a court of competent jurisdiction that is rendered, which has a material adverse effect on the ability of the Issuer to make payments on the Notes;

(x) an ERISA or tax lien securing the payment of money in excess of $5,000,000 shall be rendered against the Issuer;

(xi) the Master Servicer is terminated or resigns, and a replacement satisfactory to the Majority Controlling Class Noteholders is not appointed within ninety (90) days; and

(xii) the Issuer being required to be registered as an investment company under the Investment Company Act.

Following an Event of Default, (a) the Indenture Trustee will, at the written direction of the noteholders holding in the aggregate at least 25% of the aggregate Outstanding Principal Balance of the Notes, declare the Notes to be immediately due and payable; and (b) following an Event of Default under clauses (i), (iii), or (iv) above, the Notes will automatically become immediately due and payable. In connection with such acceleration, at the written direction of the Majority Noteholders, the Indenture Trustee will liquidate the CPACE Assets in the manner directed by such Majority Noteholders. Further, such declaration may be rescinded only by the Majority Noteholders.

Each noteholder will be deemed, by the acceptance of its Notes, to have agreed not to file, or join in filing, any petition in bankruptcy or commence any similar proceeding in respect of the Issuer for a period of one year and one day (or any longer preference period applicable) following the first date on which no Notes remain outstanding or, if any other Notes have been issued by the Issuer, for a period of one year and one day (or any longer preference period applicable) following the first date on which no such Notes remain outstanding.

Optional Redemption of the Notes

On any Distribution Date on which the aggregate principal balance of the CPACE Assets has declined to 10% or less of the aggregate principal balance of the CPACE Assets as of December 31, 2025, any Notes that are still outstanding may be redeemed in whole, but not in part (an "**Optional Redemption**"). This redemption, if elected, will cause the early retirement of the Notes. The redemption price paid for the Notes so redeemed will equal the unpaid principal amount of the Notes being redeemed, plus accrued and unpaid interest. Notice of any such Optional Redemption will be given by the Master Servicer or the Issuer to the Indenture Trustee no earlier than thirty (30) days and no later than fifteen (15) days prior to the proposed date of the Optional Redemption. The Indenture Trustee will forward or make available such notice to the noteholders and the rating agencies rating the Notes no later than ten (10) days prior to the planned redemption date.

On any Distribution Date on which the aggregate principal balance of the CPACE Assets declines to 10% or less of the aggregate principal balance of the CPACE Assets as of the initial Cutoff Date, the Notes then outstanding may be redeemed in whole, but not in part, if the Sponsor exercises its "clean-up call" option as specified in the Indenture.

Amendment of the Indenture

The Issuer and the Indenture Trustee may amend the Indenture without obtaining consent of noteholders for the following purposes, among others:

(i) to convey, transfer, assign, mortgage or pledge any property to the Indenture Trustee;

(ii) to correct any manifestly incorrect description, or amplify the description, of any property subject to the lien of the Indenture;

(iii) to modify the Indenture as required by applicable law;

(iv) to add to the covenants of the Issuer for the benefit of the noteholders or to surrender any right or power herein conferred upon the Issuer;

(v) to add any additional Events of Default;

(vi) to evidence and provide for the acceptance of appointment hereunder by a successor Indenture Trustee;

(vii) to (a) correct any typographical error, (b) cure any ambiguity or mistake, including, without limitation, correcting or supplementing any provision therein which may be inconsistent with any other provision therein, (c) to add, delete, or amend any provisions to the extent necessary or desirable to comply with any requirements imposed by the Code or (d) make or amend any other provisions with respect to matters or questions arising under the Indenture which are not inconsistent with the provisions thereof;

(viii) to take any action necessary, advisable or helpful to prevent the Issuer or the noteholders from being subject to (or to otherwise reduce) withholding or other taxes, fees or assessments; or

(ix) to take any action advisable, necessary or helpful to prevent the Issuer from becoming subject to (or to otherwise minimize) withholding or other taxes, fees or assessments.

For any amendment pursuant to clause (vii)(d) above, no such amendment will be effective unless the party requesting such amendment furnishes to the Indenture Trustee and the Issuer, as applicable, at such party's expense, an officer's certificate of the Issuer that such action will not materially adversely affect the interests of any noteholders or, if the Notes have been rated, written or electronic notice (or verbal confirmation) from each rating agency that rated the Notes (as evidenced by an officer's certificate of the Issuer) to the Issuer from each rating agency rating the affected Notes that such action will not result in the reduction or withdrawal of the rating of such Notes. Solely as to an amendment pursuant to clauses (ii), (vii)(a) or (vii)(b) above, an officer's certificate of the Issuer identifying the error, mistake, or ambiguity, stating that the amendment is needed to correct such error, mistake, or ambiguity, and describing the basis for such conclusion shall also be required. Solely as to an amendment pursuant to clauses (i), (ii) (iii) and (v), an officer's certificate of the Issuer stating that the interests of noteholders are not adversely affected shall be required.

With the consent of the Majority Noteholders, the Issuer and the Indenture Trustee may amend the Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the noteholders under the Indenture, except that no such amendment may effect the following without the consent of the noteholders of 100% of the affected Notes:

(i) change the legal final maturity date or the Distribution Date of any principal, interest or other amount on any Note or change the interest rate with respect to any Note;

(ii) authorize the Indenture Trustee to agree to delay the timing of, or reduce the payments to be made on, any Notes except as otherwise specified in the Indenture;

(iii) change the coin or currency in which the principal of any Note or interest thereon is payable;

(iv) impair the right to institute suit for the enforcement of any such payment on or with respect to any Note on or after its legal final maturity date;

(v) reduce the percentage of affected noteholders required for any amendment, or the consent of whose noteholders is required for any waiver of defaults hereunder and their consequences provided for in the Indenture, or for any other reason under the Indenture;

(vi) reduce the requirements contained in the Indenture for voting;

(vii) change any obligation of the Issuer to maintain an office or agency in the places and for the purposes specified in the Indenture;

(viii) modify provisions for payment on any Notes;

(ix) except as otherwise expressly provided the Indenture, deprive any noteholder of the benefit of a first priority security interest in the CPACE Assets and other assets of the Issuer as provided in the Indenture; or

(x) release from the lien of the Indenture (except as specifically permitted by the Indenture) all or any part of the CPACE Assets and other assets of the Issuer.

As to any amendment of the Indenture, an opinion of counsel shall be delivered to the Indenture Trustee and the Issuer concluding that the amendment is authorized and permitted by the Indenture and all conditions precedent have been satisfied, will not cause the Issuer to become a taxable mortgage pool taxable as a corporation for U.S. federal income tax purposes and will not adversely affect the characterization of the Notes as indebtedness for U.S. federal income tax purposes.

Grant

The Sponsor made a grant (the "**Grant**") to the Issuer prior to the initial Closing Date pursuant to the terms of a grant agreement (as amended, the "**Grant Agreement**") between the Sponsor and the Issuer. The Grant is in an amount up to the amount committed by the Sponsor in the Grant Agreement, to be paid by the Sponsor in one or more disbursements to the Issuer. Disbursements of the Grant will be made concurrently with each issuance of Notes by the Issuer. At all times, the aggregate outstanding disbursements under the Grant will equal or exceed the amount necessary for the Sponsor to comply with its risk retention obligations under Regulation RR of the Securities Exchange Act of 1934, as amended. The Issuer will repay the Grant from available funds remaining on each Distribution Date following all payments on the Notes and any necessary deposits into the Liquidity Reserve Account, in accordance with the priority of payments described under "*Distribution Date Payments—Distribution Date Payments in the Ordinary Course*" and "*Distribution Date Payments—Distribution Date Payments after an Event of Default*" in the accompanying prospectus supplement. Also see "*Credit Risk Retention*" in the accompanying prospectus supplement for more information on how the Grant will satisfy the Sponsor's obligations under Regulation RR of the Securities Exchange Act of 1934, as amended.

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations related to the purchase, ownership and disposition of Notes by investors who purchase their Notes upon original issuance and who hold the notes as "capital assets" within the meaning of Section 1221 of the Code. The summary does not purport to deal with all U.S. federal income tax consequences applicable to all categories of investors, some of which may be subject to special rules. For example, it does not discuss the tax treatment of investors that are insurance companies, regulated investment companies, corporations subject to the corporate alternative minimum tax on adjusted financial statement income, accrual method taxpayers subject to special tax accounting rules as a result of their use of financial statements pursuant to Section 451(b) of the Code, dealers in securities, tax-exempt organizations, holders that hold their Notes as part of a hedge, straddle, "synthetic security" or other integrated transaction for U.S. federal income tax purposes and investors whose functional currency is not the United States dollar.

This summary is based upon current provisions of the Code, Treasury regulations promulgated thereunder and judicial or ruling authority, all of which are subject to change, which change may be retroactive.

As used herein, the term "**Holder**" means any noteholder or beneficial owner of a Note. The term "**U.S. Holder**" means a Holder that is for U.S. federal income tax purposes an individual that is a citizen or resident of the United States, a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof, or an estate or trust treated as a "United States person" under Section 7701(a)(30) of the Code. A "**Non-U.S. Holder**" means a Holder other than a U.S. Holder or an entity treated as a partnership for U.S. federal income tax purposes.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Notes, the treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Investors who intend to hold Notes through a partnership are encouraged to consult their own tax advisors about the U.S. federal income tax consequences of holding and disposing of the Notes.

Tax Characterization of the Notes and the Issuer

Morgan, Lewis & Bockius LLP, as special tax counsel to the Issuer, will issue opinions as of each Closing Date that:

- when issued, the Notes issued on that date will be characterized as debt for U.S. federal income tax purposes, except to the extent such Notes are beneficially owned by the Issuer or an entity which for U.S. federal income tax purposes is considered the same person as the Issuer;

- neither the Issuer nor any portion thereof will be classified as a taxable mortgage pool taxable as a corporation and the Issuer will not be subject to entity level tax, in each case for U.S. federal income tax purposes; and

- the Issuer has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

These opinions (i) will be based on the assumption that all parties will comply with the terms of the relevant Transaction Documents and (ii) rely upon certain representations made by the Issuer. It should be noted that the transactions contemplated in this prospectus are not the subject of, or squarely on point with, any Treasury regulation, revenue ruling or judicial decision, and that legal opinions are not binding on the IRS, so no assurance can be given that these characterizations will prevail. If, contrary to the opinion of special tax counsel, the Issuer, or any portion thereof, were to be classified as a taxable mortgage pool that is taxable as a corporation for U.S. federal income tax purposes, the Issuer would be subject to U.S. federal corporate income tax on its taxable income. Any corporate income tax could materially reduce cash available to make payments on the Notes. See "*Possible Alternative Characterization of the Issuer*" below.

The Issuer is a Delaware charitable nonstock corporation organized and operated exclusively for educational, charitable, and scientific purposes. The Issuer's principal focus is on mitigating the adverse effects of climate change and developing solutions to help lower greenhouse gas emissions. As per the Issuer's application for recognition of exemption under Section 501(c)(3) of the Code, the Issuer will carry out its charitable purposes by financing energy efficiency and renewable energy generation infrastructure for use in connection with commercial, multifamily, and industrial buildings and community facilities, which together account for a significant portion of greenhouse gas emissions globally. The Issuer is affiliated with Calvert Impact Capital, Inc., a Section 501(c)(3) of the Code public charity that works to maximize the flow of capital to community development organizations for the benefit of underserved communities and individuals to achieve a more equitable and sustainable society. Calvert Impact Capital, Inc. formed the Issuer to mobilize capital to mitigate the effects of climate change. The issuance of the Notes is in furtherance of the Issuer's charitable purpose.

The Issuer agrees, and the Holders agree by their purchase of Notes to treat the Notes as debt for all U.S. federal, state and local income and franchise tax purposes, and to file all U.S. federal, state and local income and franchise tax returns and reports consistent with such characterization.

Except as otherwise expressly indicated, the following discussion assumes that the Notes are properly characterized as debt for U.S. federal income tax purposes.

Taxation of U.S. Holders

Taxation of Stated Interest and Original Issue Discount. Stated interest on a Note will be includible in gross income as it accrues or is received in accordance with the usual method of tax accounting of a U.S. Holder.

If any Notes are issued with OID, the provisions of Sections 1271 through 1273 and 1275 of the Code will apply to those Notes. A note will be considered to be issued with OID if its "issue price" is less than its stated principal amount by more than a specified *de minimis* amount (0.25 percent of a note's stated redemption price at maturity, multiplied by the number of years to maturity, based on the anticipated weighted average life of the note, determined by using a prepayment assumption and weighing each payment by reference to the number of complete years following issuance until payment is made for each partial principal payment). The "issue price" of a note is the first price at which a substantial amount of the note is sold to the public, excluding sales to bond houses, brokers, or organizations acting as underwriters, placement agents or wholesalers. The "stated redemption price at maturity" of a note is the total of all payments provided on the note that does not constitute "qualified stated interest." "Qualified stated interest" is generally interest that is unconditionally payable in cash or other property, at fixed intervals of one year or less during the entire term of the instrument at specified rates. "Unconditionally payable" means that reasonable legal remedies exist to compel timely payment or that the terms of the instrument make late payment or non-payment sufficiently remote.

A U.S. Holder must generally accrue OID on a current basis as ordinary income as it accrues over the term of a note and pay tax accordingly, without regard to its regular method of accounting for U.S. federal income tax purposes and in advance of the receipt of cash payments attributable to that income. A U.S. Holder of a note issued with a *de minimis* amount of OID must include that OID in income, on a pro rata basis, as principal payments are made on the note. Because the repayment of the Notes may be accelerated by payments on the obligations securing the debt instrument, the determination of the accrual of OID, if any, with respect to the Notes, should be made taking into account certain special rules under Section 1272(a)(6) of the Code. Prospective investors should consult with their own tax advisors as to whether the Notes are issued with OID and, if so, the U.S. federal income tax consequences thereof.

Market Discount. If a U.S. Holder purchases a note at a "market discount" (that is, at a purchase price less than the remaining stated redemption price at maturity of the note (or in the case of a note with OID, its adjusted issue price) which exceeds a *de minimis* amount specified in the Code), and thereafter (a) recognizes gain upon a disposition, or (b) receives payments of principal, the lesser of (i) such gain or principal payment or (ii) the accrued market discount will be taxed as ordinary interest income. Generally, the accrued market discount will be the total market discount on the related note multiplied by a fraction, the numerator of which is the number of days the U.S. Holder held such note and the denominator of which is the number of days from the date the U.S. Holder acquired such note until its maturity date. The U.S. Holder may elect, however, to determine accrued market discount under the constant-yield method.

A U.S. Holder that incurs or continues indebtedness to acquire a note at a market discount also may be required to defer the deduction of all or a portion of the interest on the indebtedness until the corresponding amount of market discount is included in income. A U.S. Holder may elect to include market discount in gross income as it accrues and, if such U.S. Holder makes the election, it is exempt from this rule. Any such election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies. The adjusted basis of a note subject to such election will be increased to reflect market discount included in gross income, thereby reducing any gain or increasing any loss on a sale or taxable disposition.

Amortizable Bond Premium. In general, if a U.S. Holder purchases a note at a premium (generally, an amount in excess of the amount payable upon the maturity thereof), such U.S. Holder will be considered to have purchased such note with "amortizable bond premium" equal to the amount of such excess. The U.S. Holder may elect to amortize such bond premium as an offset to interest income and not as a separate deduction item as it accrues under a constant-yield method over the remaining term of the note. The U.S. Holder's tax basis in the note will be reduced by the amount of the amortized bond premium. Any such election will apply to all debt instruments (other than instruments the interest on which is excludible from gross income) held by the U.S. Holder at the beginning of the first taxable year for which the election applies or thereafter acquired and is irrevocable without the consent of the IRS. Bond premium on a note held by a U.S. Holder who does not elect to amortize the premium will decrease the gain or increase the loss otherwise recognized on the disposition of the note.

Acquisition Premium. A U.S. Holder that purchases a note in a secondary market that was originally issued with OID for an amount less than or equal to the sum of all amounts payable on the note after the purchase date other than payments of qualified stated interest but in excess of its adjusted issue price (such excess being "**acquisition premium**") and that does not make the election described below is permitted to reduce the daily portions of OID, if any, by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the note immediately after its purchase over the adjusted issue price of the note, and the denominator of which is the excess of the sum of all amounts payable on the note after the purchase date, other than payments of qualified stated interest, over the note's adjusted issue price.

Election. A U.S. Holder may elect to include in gross income all interest that accrues on the Notes by using a constant yield method. For purposes of the election, the interest includes stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest as adjusted by any amortizable bond premium or acquisition premium. This election will generally apply only to the note with respect to which it is made and may not be revoked without the consent of the IRS. Potential U.S. Holders are encouraged to consult with their own tax advisors regarding the time and manner of making and the scope of the election and the implementation of the constant yield method.

Sale, Exchange or Other Disposition of Notes. If a U.S. Holder sells, exchanges or otherwise disposes of a note, such U.S. Holder will generally recognize gain or loss in an amount equal to the difference between the amount realized on the disposition (except any amount realized that is attributable to accrued but unpaid interest, which will be treated as a payment of interest) and the U.S. Holder's adjusted tax basis in the note. Any gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the note for more than one year at the time of disposition and will be short-term capital gain if the U.S. Holder's holding period is one year or less. A three-year holding period applies for long-term capital gain purposes to certain indirect holders who received their interest in the entity holding the Notes in connection with substantial services. A U.S. Holder that is an individual is entitled to preferential treatment for long-term capital gains. The deductibility of capital losses is subject to certain limitations. Prospective investors should consult with their own tax advisors concerning the U.S. federal income tax consequences of the sale, exchange or other disposition of a Note.

Tax on Net Investment Income. Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "**net investment income**," which will include all or a portion of their interest income from, and gain from the disposition of, a note. Any U.S. Holder that is an individual, estate or trust is urged to consult their tax advisors regarding the applicability of such tax.

Taxation of Non-U.S. Holders

Subject to the discussions below under *"Foreign Account Tax Compliance Act"* and *"Backup Withholding and Information Reporting,"* interest payments made, or accrued, to a Non-U.S. Holder that is an individual or corporation for U.S. federal income tax purposes generally will be exempt from withholding tax under the "portfolio interest" exemption, provided that the Non-U.S. Holder (i) is not (a) actually or constructively a "10 percent shareholder" of the Issuer, (b) a "controlled foreign corporation" with respect to which the Issuer is a "related person" within the meaning of the Code, or (c) a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, and (ii) provides the Indenture Trustee or other person who is otherwise required to withhold U.S. federal tax with respect to the Notes with an appropriate statement, on IRS Form W-8BEN or W-8BEN-E, as applicable, or a similar form, signed under penalty of perjury, certifying that the beneficial owner of the Note is a Non-U.S. Holder and providing the Non-U.S. Holder's name and address.

In the case of a Non-U.S. Holder that is an individual or a corporation for U.S. federal income tax purposes, if a Note is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide the relevant signed statement to the withholding agent; in that case, however, the signed statement must be accompanied by a copy of the IRS Form W-8BEN or W-8BEN-E, as applicable, provided by the Non-U.S. Holder that owns the Note. If a Non-U.S. Holder does not satisfy these requirements, then it will be subject to a 30% withholding tax unless it provides a properly executed (i) IRS Form W-8BEN or W-8BEN-E, as applicable, claiming an exemption from or reduction in withholding under the benefit of a tax treaty or (ii) IRS Form W-8ECI stating that interest paid is not subject to withholding tax because it is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. A Non-U.S. Holder other than an individual or corporation (or an entity treated as such for U.S. federal income tax purposes) holding the Notes on its own behalf may have substantially increased reporting requirements.

Any gain realized on the sale, exchange or other disposition of a Note by a Non-U.S. Holder will be exempt from U.S. federal income tax, provided that (i) the gain is not effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder (or, under certain income tax treaties, is not attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder) and (ii) in the case of an individual Non-U.S. Holder, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of such sale, exchange or other disposition and certain other conditions are met.

If a Non-U.S. Holder is engaged in a trade or business in the United States, and if amounts treated as interest (including OID) for U.S. federal income tax purposes on a Note or gain realized on the sale, exchange, or other disposition of a Note are effectively connected with the conduct of such trade or business (and, under certain income tax treaties, are attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder), the Non-U.S. Holder, although exempt from the withholding of U.S. federal income tax on certain interest income as described above, will generally be subject to regular U.S. federal income tax on such effectively connected income or gain in the same manner as if it were a U.S. Holder. In lieu of the certificate described above, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or successor form) to the withholding agent in order to claim an exemption from withholding tax with respect to any such interest income. In addition, if such Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its "effectively connected earnings and profits" (within the meaning of the Code) for the taxable year, subject to certain adjustments.

Potential Non-U.S. Holders are encouraged to consult their own tax advisors in determining the tax consequences of the purchase, ownership and disposition of the Notes.

Foreign Account Tax Compliance Act

Pursuant to the U.S. tax provision commonly known as the Foreign Account Tax Compliance Act ("**FATCA**"), foreign financial institutions (which generally include hedge funds, private equity funds, mutual funds, securitization vehicles and any other investment vehicles regardless of their size) must comply with information reporting rules with respect to their U.S. account holders, and absent compliance, investors may be subject to a withholding tax on certain payments made to them. Generally, if a foreign financial institution does not comply with these reporting requirements, "withholdable payments" made to the noncompliant entity are subject to a 30% withholding tax. For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax and subject to the caveat below, include the entire gross proceeds from the sale of certain equity or debt instruments of U.S. issuers. This withholding tax applies regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (*e.g.,* under the portfolio interest exemption or as capital gain). Notwithstanding the foregoing, the IRS has issued proposed regulations, upon which taxpayers may generally rely, that exclude gross proceeds from the sale or other disposition of the Notes from the application of the withholding tax imposed under FATCA. Prospective investors should consult their tax advisors regarding the possible implications of these rules on their investment in the Notes. Foreign entities located in jurisdictions that have entered into intergovernmental agreements with the United States in connection with FATCA may be subject to different rules.

Prospective investors in the Notes are urged to consult with their tax advisors regarding these provisions.

Backup Withholding and Information Reporting

Information reporting on IRS Form 1099 generally applies to payments on the Notes to, and the proceeds from a sale or other disposition of the Notes by, a non-corporate U.S. Holder. A U.S. Holder will be subject to backup withholding on those payments if such holder fails to provide its taxpayer identification number to the Indenture Trustee and comply with certain certification procedures, or otherwise establish an exemption from backup withholding. Any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided the required information is furnished to the IRS.

Neither information reporting on an IRS Form 1099 nor backup withholding generally will apply to payments on the Notes to, and the proceeds from a sale or other disposition of the Notes by, a Non-U.S. Holder if the Non-U.S. Holder provides a certification of non-U.S. status, for example on an applicable IRS Form W-8, although such payments may be reported on IRS Form 1042-S.

By accepting a Note, each Holder understands and acknowledges that failure to provide the Issuer and the Indenture Trustee with the properly completed and signed applicable tax certifications may result in withholding from payments in respect of such Note, including U.S. federal withholding or backup withholding.

Possible Alternative Characterization of the Issuer

If the Issuer or portion thereof were reclassified as a taxable mortgage pool, the Issuer (or such portion) would be subject to U.S. federal income tax at the corporate rate on its taxable income. This characterization would cause the amount of cash flow available to Holders to be substantially reduced, and if any Notes were reclassified as stock, would also result in the Holders of such recognizing income and other tax items with respect to their Notes that differ significantly, in amount, timing and character, from that recognized were such Notes treated as debt for U.S. federal income tax purposes. Moreover, if the Issuer (or portion thereof) was characterized as a taxable mortgage pool, the Issuer or such portion would not be able to file a consolidated U.S. federal income tax return with any other corporation.

Investors in the Notes are advised to consult their tax advisors with respect to an investment in such Notes.

State and Local Tax Consequences

Prospective investors should consider the state and local tax consequences of the purchase, ownership and disposition of the Notes. These tax laws may differ substantially from the corresponding U.S. federal income tax law, and this discussion does not purport to describe any aspect of the tax laws of any state or locality. Investors are encouraged to consult with their own tax advisors as to the various state and local tax consequences of an investment in the Notes.

ERISA and Related Considerations

General

Section 406 of ERISA, as amended, prohibits, and Section 4975 of the Code imposes adverse tax consequences on, certain transactions between a pension, profit-sharing or other employee benefit plan or other retirement plan or arrangement that is subject to Title I of ERISA or Section 4975 of the Code, (including a so-called "Keogh" plan, or an individual retirement account, educational savings account) or any entity deemed to hold the assets of the foregoing, including insurance company general and separate accounts (each a "**Plan**"). ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, including the requirements of investment prudence and diversification, and the requirement that investments of any such Plan be made in accordance with the documents governing the Plan. Under ERISA, any person who exercises any authority or control respecting the management or disposition of the assets of a Plan is considered to be a fiduciary of the Plan.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA, if no election has been made under Section 410(d) of the Code), non-U.S. plans and certain other plans are not subject to ERISA requirements but may be subject to federal, state, local or non-U.S. laws substantially similar to Title I of ERISA or Section 4975 of the Code ("**Similar Law**" and such plans, "**Other Plans**"). Among other things, a governmental plan or non-electing church plan that is qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code is subject to the restrictions imposed under Section 503 of the Code. Accordingly, assets of these Other Plans may be invested in the Notes subject to the provisions of any applicable Similar Law.

In addition to imposing general fiduciary standards, ERISA and Section 4975 of the Code prohibit a broad range of "prohibited transactions" involving assets of Plans and, as relevant here, the acquisition, holding and disposition of securities between a Plan and persons that are "parties in interest" as described in Section 3(14) of ERISA or "disqualified persons" as described in Section 4975 of the Code (collectively, "**Parties in Interest**") with respect to such Plan and impose taxes and/or other penalties under ERISA and/or Section 4975 of the Code on such transactions, unless a statutory or regulatory exception or administrative exemption applies.

In addition, certain transactions involving the assets of an entity might be deemed to constitute prohibited transactions under ERISA and the Code with respect to a Plan that acquires offered securities issued by that entity if assets of the issuer were deemed to be assets of the Plan. Under a regulation issued by the United States Department of Labor, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), the assets of an entity would be treated as plan assets of the Plan for the purposes of ERISA and Section 4975 of the Code only if the Plan acquired an "equity interest" in the entity and none of the exceptions contained in the Plan Assets Regulation was applicable. An equity interest is defined under the Plan Assets Regulation as an interest other than an interest which is treated as indebtedness under applicable local law and which has no substantial equity features.

Acquisition of the Notes by Plans

Although there is little guidance on the subject, at the time of their issuance, the Notes should be treated as indebtedness without substantial equity features for purposes of the Plan Assets Regulation. This determination is based in part upon the traditional debt features of the Notes, including the reasonable expectation of purchasers or transferees of the Notes that they will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. Based upon the foregoing and other considerations, subject to the considerations described below, the Notes may be acquired by a Plan.

Without regard to whether the Notes are considered to be an "equity interest" or indebtedness for purposes of the Plan Assets Regulation, the acquisition, holding and disposition of Notes by or on behalf of a Plan could be considered to give rise to a prohibited transaction if the Issuer, the owner of 50% or more of the equity interests in the Issuer, the Indenture Trustee, any other transaction party, or any of their respective affiliates is or becomes a party in interest or a disqualified person with respect to such Plan. In that case, certain exemptions ("**prohibited transaction class exemptions**" or "**PTCEs**") from the prohibited transaction rules could be applicable, depending on the type of Plan involved and the circumstances of the Plan fiduciary's decision to acquire a Note. Included among these exemptions are: PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"); PTCE 90-1 (relating to transactions involving insurance company pooled separate accounts); PTCE 91-38 (relating to transactions involving bank collective investment funds); PTCE 95-60 (relating to transactions involving insurance company general accounts); and PTCE 96-23 (relating to transactions effected by an "in-house asset manager"). There is also a statutory exemption that may be available under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code to a party in interest or disqualified person that is a service provider (or its affiliate) to a Plan investing in the Notes for adequate consideration, provided such service provider or affiliate is not (i) the fiduciary with respect to the Plan's assets used to acquire the Notes or an affiliate of such fiduciary or (ii) an affiliate of the employer sponsoring the Plan (such PTCEs and the statutory exemption, the "**Investor-Based Exemptions**"). Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts in connection with an investment in the Notes that might be construed as prohibited transactions. There can be no assurance that any of these exemptions, or any other exemption, will be available with respect to any particular transaction involving the Notes.

The Notes may not be acquired with the assets of a Plan or Other Plan (collectively, "**Benefit Plans")** if the Seller, the Sponsor, the Indenture Trustee, or any of their respective affiliates (a) has investment or administrative discretion with respect to such Benefit Plan assets; (b) has authority or responsibility to give, or regularly gives, investment advice with respect to such Benefit Plan assets for a fee (direct or indirect); or (c) is an employer maintaining or contributing to such Benefit Plan, unless such acquisition and holding of the Notes would be covered by an applicable prohibited transaction exemption or would not otherwise cause a prohibited transaction.

Each purchaser and transferee of a Note will be deemed to represent and warrant to the Issuer and the Indenture Trustee that either (i) it is not a Benefit Plan or (ii) it is a Benefit Plan and its acquisition, holding and disposition of such Note will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law, as applicable, and to further represent, warrant and covenant that it will not transfer such Note in violation of the foregoing.

Any plan fiduciary that proposes to cause a Benefit Plan to acquire Notes should consult with its counsel with respect to the potential applicability of ERISA, Section 4975 of the Code and Similar Law to that investment and the availability of the Investor-Based Exemptions or any other exemption in connection with that investment. We cannot assure you that such exemptions will apply with respect to any particular Plan that acquires or holds Notes or, even if all of the conditions specified in the Investor-Based Exemption were satisfied, that such exemptions would apply to all transactions involving the Issuer.

The sale of any Notes to a Benefit Plan will not constitute a representation by the Sponsor, the Seller, the Indenture Trustee, the Custodian, the Securities Custodian, the Lead Agent or any of their respective affiliates that such an investment meets all relevant legal requirements relating to investments by Benefit Plans generally or by any particular Benefit Plan, or that such an investment is appropriate for Benefit Plans generally or for any particular Benefit Plan.

Plan of Distribution

The Issuer will offer the Notes offered by this prospectus and by the related prospectus supplement from time to time through one or more of the methods described below. The related prospectus supplement will state the purchase price and the net proceeds to the Sponsor from the sale. Payment of the purchase price for the Notes will be required to be made in immediately available funds.

The Notes will be offered to investors through a selling agent. The Issuer has entered into a selling agent agreement (the "**Selling Agent Agreement**") with InspereX. Subject to the terms and conditions set forth in the Selling Agent Agreement, InspereX will facilitate the issuance by the Issuer and purchase by the noteholders of the Notes. The Selling Agent Agreement provides that the Issuer will reimburse InspereX for certain expenses and indemnify InspereX against certain liabilities. In the ordinary course of business, InspereX and its affiliates have engaged, and may in the future engage, in other transactions with the Sponsor and its affiliates. Notes are transacted electronically through the investor's brokerage account and settle through DTC. See "*Distribution Date Payments—Book-Entry Registration*" for additional information regarding DTC. The Issuer has contracted with InspereX, as the Lead Agent, which in turn has established a selling group of downstream broker-dealers. These broker-dealers enter into master selected dealer agreements with InspereX and have the ability to effect sales of the Notes. The agents and dealers who effect transactions of the Notes have agreed to sell the Notes in accordance with the terms of this prospectus. Prospective investors may contact InspereX at info@insperex.com for a full list of selling group members. Through this relationship with InspereX, the Issuer receives net proceeds from sales of the Notes as described in the prospectus supplement.

In connection with the sale of the Notes, InspereX may receive compensation from the Issuer or from purchasers of the Notes in the form of discounts, concessions or commissions. The prospectus supplement will describe any such compensation paid by the Issuer.

Except for Notes sold to level-fee accounts, Notes offered to the public will be offered at the public offering price set forth in the relevant pricing supplement. Selected dealers purchasing Notes on an agency basis for non-level fee client accounts shall purchase Notes at the public offering price. Notes purchased by the selected dealers for their own account may be purchased at the public offering price less the applicable concession. Notes purchased by the selected dealers on behalf of level-fee fiduciary accounts may be sold to such accounts at the public offering price less the applicable concession, in which case, such selected dealers will not retain any portion of the sales price as compensation.

Notice to Investors

Because of the following restrictions on transfer, prospective investors are encouraged to consult legal counsel prior to making any resale, pledge or transfer of the Notes.

Each purchaser of a Note, in making its purchase, will be deemed to have acknowledged, represented and agreed as follows:

Either (i) it is not a Benefit Plan or a person acting on behalf of or using assets of a Benefit Plan, or (ii) the acquisition, holding, and disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law.

Certain Legal Matters

Certain legal matters relating to any given issuance of Notes, including certain federal and state income tax consequences with respect thereto, will be passed upon by Morgan, Lewis & Bockius LLP, or other counsel specified in the related prospectus supplement. Certain legal matters relating to this offering will be passed upon for the Lead Agent by Mayer Brown LLP.

Issuer Audited Financial Statements

Attached

JohnsonLambert LLP
cpas + consultants

Calvert Impact Climate, Inc.

Audited Financial Statements

Years ended December 31, 2023 and 2022
with Report of Independent Auditors

Calvert Impact Climate, Inc.

Audited Financial Statements

Years ended December 31, 2023 and 2022

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Report of Independent Auditors

Board of Directors
Calvert Impact Climate, Inc.

Opinion

We have audited the financial statements of Calvert Impact Climate, Inc. (the Company), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and 2022 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Note B to the financial statements, effective January 1, 2023, the Company adopted Financial Accounting Standards Board Accounting Standards Update 2016-13 and subsequent amendments, *Financial Instruments—Credit Losses (Topic 326)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Johnson Lambert LLP

Vienna, Virginia
April 2, 2024

Calvert Impact Climate, Inc.

Statements of Financial Position

December 31, 2023 and 2022

	2023	2022
Assets		
Restricted cash and cash equivalents	$ 72,107	$ -
Loans receivable, net of allowance for credit losses of $0 of and $0, respectively	32,705,347	-
Grant receivable	1,731,479	5,000,000
Interest receivable	143,125	-
Total assets	$ 34,652,058	$ 5,000,000
Liabilities and net assets		
Liabilities:		
Cut Carbon Notes payable, net (the Notes)	$ 29,552,738	$ -
Other liabilities	73,240	-
Total liabilities	29,625,978	-
Net assets:		
Without donor restrictions:		
Undesignated	5,026,080	5,000,000
Total Net Assets without Donor Restrictions	5,026,080	5,000,000
Total net assets	5,026,080	5,000,000
Total liabilities and net assets	$ 34,652,058	$ 5,000,000

See accompanying notes to the financial statements.

Calvert Impact Climate, Inc.

Statements of Activities

Years ended December 31, 2023 and 2022

	2023	2022
Revenue		
Interest revenue	$ 433,667	$ -
Grant revenue	-	5,000,000
Total revenue	433,667	5,000,000
Expenses		
Financial expenses	343,317	-
Operating expenses	64,268	-
Total expenses	407,587	-
Change in net assets	26,080	5,000,000
Net assets, beginning of year	5,000,000	-
Net assets, end of year	$ 5,026,080	$ 5,000,000

See accompanying notes to the financial statements.

Calvert Impact Climate, Inc.

Statements of Cash Flows

Years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 26,080	$ 5,000,000
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of loan and Cut Carbon Note issuance costs	9,162	
Changes in operating assets and liabilities:		
Grant receivable	3,268,521	(5,000,000)
Interest receivable	(143,125)	-
Other liabilities	73,240	-
Net cash provided by operating activities	3,233,878	-
Cash flows from investing activities		
Loans purchased	(32,713,271)	-
Net cash used in investing activities	(32,713,271)	-
Cash flows from financing activities		
Proceeds from issuance of Cut Carbon Notes	29,700,000	-
Cut Carbon Note issuance costs	(148,500)	
Net cash provided by financing activities	29,551,500	-
Net change in cash and cash equivalents	72,107	-
Restricted cash and cash equivalents, beginning of year	-	-
Restricted cash and cash equivalents, end of year	$ 72,107	$ -
Supplemental disclosures of cash information		
Interest paid	$ 260,916	$ -

See accompanying notes to the financial statements.

Note A - Organization

Calvert Impact Climate, Inc. (the Company), a Delaware charitable nonstock corporation, a wholly controlled subsidiary of Calvert Impact, Inc. was organized on May 28, 2021 for charitable, educational, and scientific purposes. The Company's principal focus is to mitigate the effects of climate change and promote sustainable real estate development. To advance its charitable purpose, the Company finances energy efficiency and renewable energy generation upgrades for commercial buildings throughout the United States. This financing is originated pursuant to commercial property assessed clean energy (CPACE) programs. Through CPACE programs, building owners can make sustainability upgrades to their properties using private financing, which they repay via special assessments added to their tax bill. The special assessments create liens on the underlying property that, in general, are (i) on equal footing with or immediately junior to property taxes and (ii) senior to all other liens, including mortgage liens.

From time to time, the Company plans to acquire CPACE receivables from PACE Equity Warehouse C, LLC (the Seller), a Delaware limited liability company. The Seller is a wholly-owned indirect subsidiary of PACE Equity, LLC, a Wisconsin limited liability company (PACE Equity or the Subservicer of the Cut Carbon Notes). The CPACE loans receivable are secured by and repaid via the CPACE special assessments.

The Company finances its acquisition of CPACE loans receivable by selling asset-backed notes (the Cut Carbon Notes) to investors. The Cut Carbon Notes are payable from all assets of the Company and secured by the CPACE loans receivable and certain other assets of the Company.

The offering of the Cut Carbon Notes is sponsored by Calvert Impact, Inc. (the Sponsor), a Delaware 501(c)(3) charitable nonstock corporation. The Sponsor is the sole member and parent of the Company.

Calvert Impact, Inc. also acts as Master Servicer and Master Portfolio Administrator for all of the CPACE Assets on behalf of the Company.

Note B - Summary of Significant Accounting Policies

Basis of Reporting
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). Preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Note B - Summary of Significant Accounting Policies (continued)

Adoption of Accounting Standard
The Company adopted Accounting Standards Update (ASU) 2016-13 and subsequent amendments, *Financial Instruments – Credit Losses (Topic 326)* (the guidance) on January 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model. The model requires the Company to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets. The Company adopted the guidance using the modified retrospective approach. There was no impact to the Company from adopting the standard as of January 1, 2023.

Subsequent Events
The Company has evaluated subsequent events for disclosure and recognition through April 2, 2024, the date on which these financial statements were available to be issued and has considered all relevant matters in the preparation of the financial statements and notes.

Cash and Cash Equivalents
The Company considers highly liquid investments, with maturity of three months or less when purchased, to be cash equivalents. The Company maintains cash in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company monitors these balances and believes they do not represent a significant credit risk to the Company.

Grant Receivable
Unconditional contributions and grants are recognized when received. Conditional contributions and grants, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Company determined no allowance for credit losses for grant receivable was deemed necessary as of December 31, 2023 and 2022.

Loans Receivable
Loans for which management has the intent and ability to hold until maturity or payoff are recorded at amortized cost, net of the allowance for credit losses. Amortized costs is the principal balance outstanding and issuance costs incurred but deferred on the purchase of the loans. Interest income is accrued on the unpaid principal balance. Included in these balances are issuance costs of $789,962 and $0 as of December 31, 2023 and 2022, respectively, which will be amortized over the term of the individual loans as an offset to interest income.

Note B - Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses
The Company has established an allowance for credit losses to provide estimates of uncollectible loans, which is reflected in the statements of financial position within loans receivable. Although variability is inherent in such estimates, management believes that the allowance for credit losses provided in the financial statements is adequate. However, because of the small population of loans and limited historical experience, as well as changing, unassessed or inaccurate variables and analysis, actual losses could be significantly more or less than management's estimate. As adjustments to these estimates become necessary, such adjustments are included in current operations. On a quarterly basis, the Company reviews the current level of reserves, and the state of the portfolio to determine the adequacy of the reserve level to cover future losses based on historical experience adjusted for current conditions and reasonable supportable forecasts.

The Company pools loans for estimating its allowance for credit loss based on the individual risk score of each loan. The Company's loans are secured by liens on the underlying real estate that are either pari passu with or junior only to the liens for real property taxes. Additionally, the Company considers the loan-to-value (LTV) ratio which measures the fair value of the real estate collateral in excess of the Company's loan. The Company considers the risk attributes of the loans, including the borrower's past performance, the collateral supporting the loan, the seniority of the Company's loan to any other loans on the underlying real estate, current conditions, and reasonable, supportable forecasts. As of December 31, 2023, the Company concluded that no allowance for credit losses was required.

The Company ceases to accrue interest on loans when they become 90 days past due unless the obligation is both well secured and in the process of collection, or when management believes the asset is not collectible. Loans are returned to accrual status only when all the principal and interest amounts contractually due are brought current and in the opinion of management, future payments are reasonably assured Interest accrued on these loans is reversed against interest income. If deemed finally uncollectible, the asset is written-off, offsetting the asset value on the balance sheet against the allowance for credit losses. Changes in the allowance for credit losses on loans are recorded as provision for credit losses income (expense) on the statements of activities. After write off, any recovery is recognized as income in the period in which it was received. A charge off does not lesson the effort to collect. See further disclosures surrounding credit losses in Note C.

Note B - Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses (continued)
The Company elected not to measure the credit loss allowance for accrued interest receivable on loans and writes off accrued interest as a reversal of interest income. For the year ended December 31, 2023, $0 of accrued interest was reversed against interest income. Accrued interest receivable on loans in the amount of $143,125 as of December 31, 2023, was excluded from the estimate of credit losses.

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model.

Issuance Costs
Issuance costs consist of capitalized costs related to the assignment fee of CPACE loan receivables, and capitalized costs related to the issuance of the Cut Carbon Notes. The Company defers these costs upon assignment and issuance of the related CPACE loan receivable or Cut Carbon Note, and amortizes the expense over the life of the related CPACE loan receivable or Cut Carbon Note.

Cut Carbon Notes Payable
Cut carbon notes payable consist three classes of asset-backed notes sold to investors at interest rates ranging from 5.5% to 6.5%, and maturity date of December 15, 2053. Interest expense is accrued on the unpaid principal balance.

Income Taxes
The Company is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Management has concluded that the Company has maintained its exempt status and that there are no uncertain tax positions as of December 31, 2023 and 2022. There are currently no examinations being conducted.

Grant Revenue
Unconditional contributions and grants are recognized when received. Conditional contributions and grants, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions and grants received prior to meeting the conditions are reported as refundable advances in the statements of financial position. Contributions and grants are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions.

Note B - Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that can be allocated include information technology, occupancy and human resources costs. The Company determined that allocable expenses were de minimis, and therefore did not perform an allocation of these expenses, during the years ended December 31, 2023 and 2022.

Note C – Loans Receivables

The Company acquires and holds CPACE loans receivable due from the CPACE assessment holder. The receivables are collateralized by an assessment against the property for which improvements have been made or are intended to be made. The Company classifies its receivables as held-to-maturity. On October 18, 2023 the company acquired $31,915,385 of CPACE assets, and included issuance fees of $797,886, which are included in the Company's amortized cost basis of the loans in accordance with GAAP. These assets will mature at various times from 19 years to 30 years and have interest rates from 5.95% to 7.5%. Loans receivables, net of the credit loss reserve, totaled $32,705,347 and $0 as of December 31, 2023 and 2022, respectively. There were no write-offs of loans receivable or accrued interest during the years ended December 31, 2023 and 2022. There were no loans receivable for which accrual of interest had been discontinued as of December 31, 2023 and 2022. There were no loans receivable considered past due as of December 31, 2023 and 2022.

The Company pools its loans receivable by assigned risk rating scores, with 1 being low risk and 4 being the highest risk loan. The Company calculates credit loss on loans receivable based on the loss rate associated with an individual loan's risk score. The Company determined that all CPACE loans receivable have the same risk characteristics as of December 31, 2023, therefore all assets have a risk score of 1. The Company also considered current conditions and reasonable and supportable forecasts. The Company determined no allowance for credit losses for loans receivable was necessary as of December 31, 2023. The following table summarizes the loans receivable balances as of December 31, 2023, based on the risk scores assigned by the Company.

Risk Rating Score	Loans Receivable	Allowance for Credit Losses Rate	Allowance for Credit Losses
Risk Score 1	$ 32,705,347	0.0%	$ 0
	$ 32,705,347		$ 0
Loans Receivable, Net			$ 32,705,347

Note C – Loans Receivables (continued)

Fee Issuance Costs are deferred and amortized using the straight line method over the respective lives of the related assets. The Company recognized $7,924 and $0 in amortization expenses related to issuance costs during the years ended December 31, 2023 and 2022, respectively, which is included in financial expenses on the statements of activities.

Note D – Cut Carbon Notes

The Company created the Cut Carbon Notes (the Notes) to channel capital to projects that reduce carbon emissions from buildings. The Company has appointed InspereX, LLC as Lead Agent for the Cut Carbon Notes. In turn, InspereX, LLC has established a selling group of downstream broker-dealers and securities firms to effect sales of the Cut Carbon Notes. Cut Carbon Notes will be transacted electronically and settle through the Depository Trust and Clearing Corporation (DTC).

U.S. Bank Trust Company, National Association will serve as the Indenture Trustee and U.S. Bank National Association will serve as the Custodian for the Notes. The Custodian will hold the CPACE Assets and the Indenture Trustee, or an affiliate thereof, will hold the accounts of the Company as collateral for noteholders. The Company's accounts include the "Collection Account", which holds payments received from the CPACE Assets, and the "Liquidity Reserve Account", which holds reserve funds to cover the Company's expenses, including payment of interest on the Notes. The Subservicer will cause all payments of interest, principal, and any other amounts due on the CPACE Assets to be deposited in the Collection Account.

On October 18, 2023 the Company closed on the First series of Cut Carbon Notes with a total sale of $29,700,000 in three classes paying interest at 5.5% (Class A), 5.75% (Class B), and 6.5% (Class C). All classes of Cut Carbon Notes have a maturity date of December 15, 2053:

Class A	$ 27,579,000
Class B	909,000
Class C	1,212,000
	$ 29,700,000

In the event of default payments are made in the following order and priority 1) fees to the Trustee, 2) fees to the Custodian, 3) fees to the Master Servicer and Master Portfolio Administrator, 4) interest to the Class A Noteholders, 5) outstanding principal balance to Class A Noteholders until the balance is reduced to zero 6) interest to the Class B Noteholders, 7) outstanding principal balance to Class B Noteholders until the balance is reduced to zero, 8) interest to the Class C Noteholders, and 9) outstanding principal balance to Class C Noteholders until the balance is reduced to zero.

Note D – Cut Carbon Notes (continued)

The Company incurred Note issuance costs of $148,500 in connection with this closing, which is reflected within Cut Carbon Notes payable on the statements of financial position. These Note issuance costs amortize over the term of the Note. The Company recognized $1,238 and $0 in amortization expenses related to issuance costs during the years ended December 31, 2023 and 2022, respectively, which is included in financial expenses on the statements of activities. The balance of these issuance costs is $147,262 and $0 as of December 31, 2023 and 2022.

The Notes pay interest twice a year on June 15 and December 15.

Note E – Related Party Transactions

On October 31, 2022, the Company entered into a grant agreement (the Risk Retention Grant) with the Sponsor. Under the terms of the Risk Retention Grant, the Sponsor will make contributions to the Company in an aggregate amount of up to $20,000,000. The Company will use the proceeds from the Risk Retention Grant to over-collateralize the Cut Carbon Notes and pay expenses associated with offering the Cut Carbon Notes. At all times, the aggregate outstanding disbursements under the Risk Retention Grant will equal or exceed the amount necessary for the Sponsor to comply with its risk retention obligations under Regulation RR of Securities Exchange Act of 1934, as amended.

The Risk Retention Grant constitutes an "eligible horizontal residual interest." The Risk Retention Grant represents the right to all funds in excess of amounts needed to make required payments on the Cut Carbon Notes, fund any applicable liquidity reserve, or pay fees and expenses of the Company. The Risk Retention Grant is subordinated to the Cut Carbon Notes and is only entitled to amounts that are not needed on a Cut Carbon Note distribution date to make payments on the Cut Carbon Notes or to make other payments or deposits required by the Cut Carbon Note indenture. Under the terms of the Cut Carbon Note indenture, the Company will repay the Risk Retention Grant only to the extent there are available funds remaining on each Cut Carbon Note distribution date.

As of December 31, 2023 and 2022, $1,731,479 and $5,000,000 of accrued grant revenue related to this agreement was reflected within grant receivable on the statements of financial position.

On October 18, 2023, Calvert Impact Capital, Inc, a wholly owned subsidiary of the Sponsor, purchased $11,028,000 of the Cut Carbon Notes Class A at an interest rate of 5.5%. These are reflected within Cut Carbon Notes payable on the statements of financial position as of December 31, 2023. Interest of $124,678 was incurred on these Cut Carbon Notes during the year ended December 31, 2023, and is included in financial expenses on the statements of activities. As of December 31, 2023, $28,642 of interest was accrued related to the Cut Carbon Notes and reflected in the statements of financial position within other liabilities.

Note E – Related Party Transactions (continued)

On January 1, 2023, the Sponsor entered into a shared services agreement with Calvert Impact Capital, Inc.. Under the agreement, Calvert Impact Capital Inc., provided services to the Sponsor and its subsidiaries, including the Company, for an annual fee of $1,000,000. Additionally, the Sponsor acts as the Master Servicer and Master Portfolio Administrator for the CPACE loans receivable. The Company determined that the Company's share of these services during the years ended December 31, 2023 and 2022 were de minimis to the financial statements as a whole, and therefore no conditional contribution was recorded related to these services during the years ended December 31, 2023 and 2022.

Note F – Functional Expenses

During the year ended December 31, 2023 there were $407,587 financial and operating expenses incurred, primarily relating to interest expense, bank charges, and professional fees, and change in provision for credit losses. These expense are primarily programmatic in nature as they relate to the Cut Carbon Notes. The Company's stance is that any management and general expenses are de minimis to the financial statements as a whole.

Note G – Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the statement of financial position date, comprise the following, as of December 31:

	2023	2022
Restrictedcash and cash equivalents	$ 72,107	$ -
Grant receivable	1,731,479	5,000,000
Interest receivable	143,125	-
Financial assets available to meet cash needs for general expenditures within one year	$ 1,946,711	$ 5,000,000

Note G – Liquidity and Availability of Resources (continued)

The Company regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. While maintaining the Liquidity Reserve Account is a requirement for the Cut Carbon Notes, the Company is not bound by a covenant to maintain any specific balance in the Liquidity Reserve Account. The Liquidity Reserve Account is required to be funded with proceeds from the Notes at the time of issuance and to the extent it has been used to pay certain expenses, is replenished on each semi-annual Distribution Date as provided in the Standard Priority of Payments in the Indenture. As of December 31, 2023 and 2022, the balance of this account was $69,056 and $0, respectively. US Bank Trust Company also maintains the Collection account which holds interest on the CPACE assets, and makes interest payments to the Note holders. As of December 31, 2023 and 2022, the balance of this account was $3,051 and $0, respectively. The Company's other financial assets available to meet cash needs for general expenditures within on year include the remaining $1,731,479 grant receivable from the Sponsor, and interest receivable on Cut Carbon Notes of $143,125.