Lender Support Handbook

A Toolkit For Obtaining Lender Consent

August 2013

PACENow
Financing Energy Efficiency

PACENow's mission is to promote and assist the development of PACE programs by state and local governments and provide leadership and support for a growing universe of energy efficiency and PACE stakeholders.

Acknowledgements

PACE*Now*'s Lender Support Handbook was developed by Natalie Trojan, with input from David Gabrielson and Kristina Klimovich. In sum, this Handbook was a collaborative effort of many industry stakeholders who generously lent their time and expertise. They included PACE program administrators, project funders, existing mortgage lenders, and building owners. In addition, we are grateful to Dave Hodgins from the Los Angeles County PACE program for first identifying the need in the marketplace for a Lender Support Handbook and encouraging us to pursue this initiative. We'd particularly like to thank the following individuals for their generous time, input, and support:

Derek Brown, Clean Fund LLC

Rich Chien, GreenFinanceSF (San Francisco PACE Program)

Chris Lynch, Jones Hall, A Professional Law Corporation

Brian McCarter, Sustainable Real Estate Solutions Inc

Dan Passage, Bingham McCutchin LLP

Bill Springer, Bingham McCutchin LLP

Images on the front page (from left ro right): PACE*Now's* image of Simon Property Group mall in Santa Rosa, GreenFinanceSF PACE program, WRCOG HERO PACE program.

Please share this information widely and invite others to join you in supporting our work.

Lenders Set the PACE

PACE*Now*'s Lender Support Handbook provides general guidelines for PACE borrowers and program administrators who seek consent from an existing mortgage lender for a PACE project, particularly when consent is being sought from a new and uninitiated lender. The Handbook provides broad information regarding the PACE marketplace, data on previously provided lender consents, consent template forms, and suggestions to gain the support of a building's existing mortgage lender for a PACE project. It complements our [Lender Support Study](), which details important insights on lenders' familiarity with and attitudes about PACE. Our findings in the Lender Support Study, which have helped us develop this Handbook, were based upon interviews with a wide variety of lenders. Nearly all of those 35 lenders (representing over 25 lending institutions) that participated in the study were open-minded about approving PACE projects. In general, mortgage lenders are receptive to the idea that energy efficiency and related projects can enhance a building's value. All lenders are familiar with property taxes and assessments and already factor them into their lending decisions. As such, they understand the PACE concept.

The Handbook has been designed to provide information that will allow an existing lender to recognize the value proposition of a PACE-funded project and accommodate an important request from a valued customer. To date, over 35 lenders have already recognized the value of PACE and approved more than 80 PACE financed projects totaling nearly $15 million.[1] Most lenders have approved more than one PACE transaction. Given the expected growth in PACE transaction volume nationally, some lenders are creating a formalized review process for PACE requests, backing the creation of standardized data and forms, and providing ongoing input for this Handbook.

Our goal is to make this Handbook a continuous work in progress, incorporating updates as PACE evolves as a financing tool for implementing sustainable improvements to our commercial building stock. PACE*Now* welcomes feedback from Handbook users on their experience with the forms and information in the Handbook or their overall experiences in obtaining mortgage lender consent. Please feel free to share your comments and suggestions with us at lenderconsent@pacenow.org.

1- PACE*Now*'s market data provides a snapshot of available market information. Data is provided to us on a voluntary basis by market participants and does not include all PACE activity.

Consents:

- *Over 35 lenders*
- *80 PACE approvals*
- *Total of $15 million*

The following materials constitute the Lender Support Handbook:

Part I: Introduction

Suggested Guidelines for Obtaining Lender Consent

I. Introduction

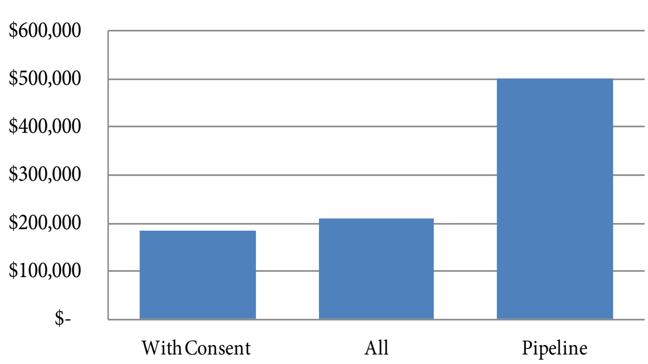
PACE*Now*'s Lender Support Handbook is designed to assist commercial real estate owners when they seek consent from an existing mortgage lender as part of the PACE financing process. The Handbook should also be useful to PACE program managers as they provide guidance to PACE financing applicants. Intended to be a work in progress, the Handbook will be updated as new market information becomes available, the PACE market evolves, and users provide feedback.

II. Handbook Objectives

PACE*Now*'s Handbook provides general guidelines for obtaining consent and sample forms that can be used as is, or modified for a particular program or financial institution. In addition, the Handbook offers supporting documentation, such as data on completed lender consents and information on the current state of PACE that users should find valuable throughout the lender consent consideration process.

Consistent with the work summarized in the first release of the Lender Support Study in December 2012, we continue to find that mortgage lenders have an open mind about approving PACE projects and understand that energy efficiency and related projects can enhance a building's value. All lenders are familiar with property taxes and assessments and already factor them into their lending decisions. PACE should be presented similarly, as a method for decreasing maintenance, energy, and water expenses by an amount sufficient to pay the corresponding PACE assessment. Our data suggests that mortgage lenders are providing consent for transactions and with increasing frequency, which gives us reason for optimism. Details on approved project consents as well as a list of consenting lenders are summarized in the additional information section of the Handbook. Check back on our website ; we will be updating this information as additional data becomes available.

Project Size Averages



III. Handbook Components

Suggested Forms – The Handbook includes sample forms that can be modified to suit specific circumstances.

- **Consent Form A** – is a simple, short lender consent agreement, generally intended for smaller, one or two component PACE projects of $500,000 or less in size. While the form covers all the basics, the lender letter is shorter, the list of recommended supporting property information is smaller, and the consent agreement is simpler.

- **Consent Form B** – is a full lender consent document, generally intended for larger, complex multi-component PACE projects greater than $500,000 in size. The form includes an in-depth letter to a lender explaining the proposed PACE transaction, a full list of recommended supporting property information, and a formal lender consent form prepared with the input of a law firm.

- **Sample Intercreditor Agreement** – is an optional document generally intended for those using Consent Form B when requested by the senior mortgage lender. Its purpose is to clarify and document the terms of an agreement between the senior mortgage lender and the PACE capital provider, such as the timing of events in the case of non-payment or default, number of days to provide notice, and the like. The Intercreditor Agreement was prepared by a law firm to serve as one example of such an agreement. Individual parties will likely find it helpful to modify or add terms to the agreement.

Note that Consent Form A or B may not satisfy every mortgage lender, but should provide a baseline from which to start creating an alternate form. Other mortgage lenders may be fine with Form A or B as is, with the understanding that the forms were created with input from multiple banks.

Additional Materials

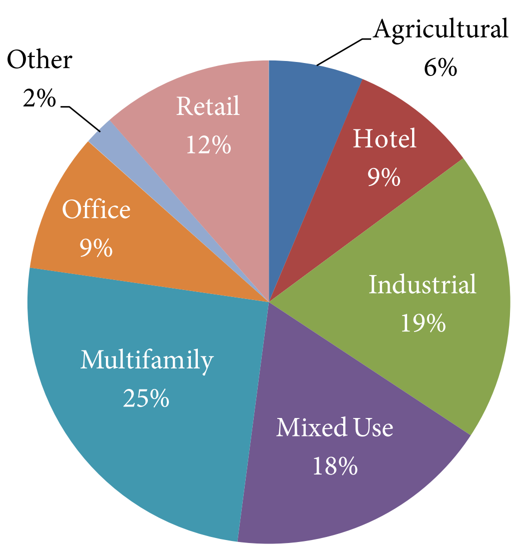
- **Project Timeline for Lenders** – illustrates a general timeline for the steps of a PACE project from inception to completion. It is meant to visually summarize the chain of events and illustrate to a senior mortgage lender how consent fits within the PACE financing process.

- **FAQs for Lenders** – answers frequently asked questions by lenders about PACE transactions not readily and succinctly available in other places.

- **List of Consenting Financial Institutions** – provides a list of banks that have previously consented to PACE transactions.

- **List of Consented Transactions** - provides a partial list of consented transactions with details about the consenting banks, property types, assessed or appraised property values, and PACE dollar amounts.

Consented Transactions, by Property Type



PACE Market Data

- **PACE Transaction Trends** – based on industry-wide PACE data as collected by PACE*Now* through its data collection portal. Data includes stransactions that required lender consent and transactions that did not require lender consent because they did not have a mortgage.

- **List of PACE Programs by State** – offers a summary of all PACE activity by program.

- **Map of PACE Activity** - provides a visual representation of the availability of PACE programs across the United States.

Strategy – Understanding How Lenders Think

Appreciating lender objectives in the borrower-lender relationship is critical to a successful PACE consent consideration process. Mortgage lenders provide asset based loans. These are also credit based products, typically have low profit margins, and no possibility for upside from asset appreciation (in contrast to equity investments that can benefit from asset appreciation), so avoiding losses that could result from a bad lending or underwriting decision is important. Lenders therefore focus on basics:

- Getting repaid in full and on time (without complications)
- Making a profit on the entire client relationship

The profitability of a client relationship is regularly derived from volume driven, fee-based businesses, such as cash management and investment planning services. Mortgage lending is often used as a way to gain access to new clients with the intent of winning these other, more profitable and less risky businesses. As such, banks are wary of increased risk on lending because loans often carry the highest risk, require significant bank capital, and provide relatively low returns. It is therefore vital to demonstrate to the mortgage lender the tangible economic benefits of the proposed PACE project as fully as possible when seeking consent.

Potential Lender Concerns

Typical first reactions from a mortgage lender to a PACE consent may reflect the following concerns:

- Having insufficient time and resources to understand energy efficiency measures
- Lending on projected savings data, instead of actual historic operating data
- Authorizing a potential drain on cash flow
- Consenting to physical changes to the collateral, which might increase collateral risk exposure (even if only temporarily)
- Approving placement of a new lien before the primary mortgage lien

Such concerns are generally normal at first glance and should not be immediate cause for concern. A borrower who understands why mortgage lenders may have these reactions (spoken or unspoken) can use this knowledge to overcome the lender's concerns.

Given today's competitive marketplace, many mortgage lenders are short on time and resources, and are naturally focused on generating revenue. Most have little or no experience underwriting energy efficiency measures, so a PACE consent request requires them to spend valuable time considering something they know little about, and is unlikely to produce meaningful revenue.

Underwriting energy savings can be challenging, even for mortgage lenders who support sustainability measures. Typically, real estate underwriting is based upon readily available, verifiable, specific, comparable building data or first-hand building-specific, historic financial data. Such data is not yet readily available in standardized form for the energy efficiency and renewable energy projects typically included in PACE financings. Without it, lenders may find it difficult to accept project savings projections and view only PACE as an additional drain on cash flow.[1] Furthermore, the physical upgrades to the property, even if ultimately beneficial, add an element of uncertainty.

Finally, and potentially of greatest concern, is the senior lien status that PACE shares with property taxes and most municipal assessments. Mortgage lenders provide loans with the understanding that they will have the senior lien on a property, and decisions they make on loan amounts, terms, and interest rates are based upon that understanding. Therefore, a request that appears to prime their senior mortgage lien is not likely to be viewed favorably.

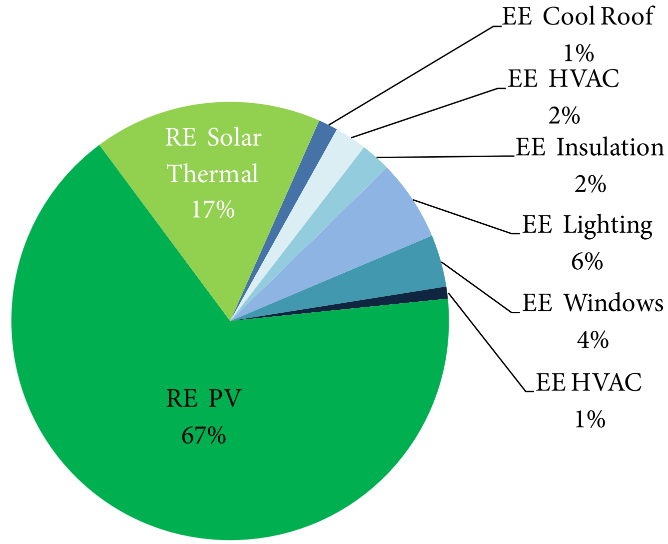
IV. Presenting Your Project

Given the lender concerns outlined in the previous section, a successful PACE consent consideration request will address the salient issues by providing solid, organized, succinct information to the mortgage lender.

---

1 - PACE*Now* is an ally of the Investor Confidence Project (ICP), the Environmental Defense Fund initiative, developing a consensus framework to predict and measure energy savings, enabling the acceleration of energy efficiency investments and the emergence of a robust and thriving commercial building sector. (www.eeperformance.org)

Consented Transactions, by Improvement Type



Addressing Energy Efficiency Underwriting and Financial Concerns

Mortgage lenders cannot easily evaluate proposed PACE energy efficiency measures independently because they lack historical data, access to industry databases, or professionals on staff who can assess the savings of a particular project. As a result, real estate lenders are prone to discount the value-add of the project and only focus on the additional expense as a result of PACE. Others have evaluated PACE as a new mortgage loan application - a long and cumbersome process. The goal should be to convince the lender that the PACE funded project will result in net savings to the building owner, and an increase in building value. It is incumbent on the borrower to help the lender by supplying any available supporting information, such as the following:

- An independent 3rd party, energy efficiency audit that details the expected energy savings and benefit to the property. (ex: ASHRAE or appraisal report)
- Measurable and quantifiable economic benefit of energy savings that show that the building will become more valuable with PACE. (ex: contractor estimates or product manufacturer guarantees)
- Data supporting efficiency savings from other properties using similar measures, including historical performance. For example, if a contractor or building owner has completed a similar project elsewhere, it is helpful to supply operating data

from this project. [2]

- Ratio of annual PACE costs to annual property value over the PACE financing term. This ratio shows the change in lender's exposure due to the additional PACE financing. Most lenders prefer to keep Loan to Value under a certain threshold; providing this calculation addresses one of their concerns.
- Before and after PACE Debt Service Coverage Ratio (DSCR)
- A calculation of the reduction in variable operating costs relative to total costs. It is critical to provide this as lenders may not understand that replacing an old unit will not only reduce consumption/increase efficiency but also save a certain amount on maintenance costs.
- The expected increase in property value (with a 3rd party appraisal report if possible). Note that building value will not increase exactly dollar for dollar based upon the cost of upgrades. Instead, increases in building value will be based upon increased cash flow and the relative attractiveness of the property compared to its competition.
- Finally, in these initial days of PACE, many mortgage lenders need borrower information as they do a complete review of the credit. Lenders may require property and borrower's financials from the last three years and infomration on any off-balance sheet guarantees.

Addressing Collateral Risk Concerns

Not surprisingly, mortgage lenders are protective of the mortgaged property and its income, which are the collateral for the mortgage loan. PACE projects generally involve changes to the property that are intended to increase building value and improve efficiency. However, during the implementation period, a mortgage lender is subject to additional risk. For example, the building may suffer unintended damage or may be unfit for occupancy during upgrades. To mitigate the effects of construction-related PACE risk, a borrower should consider the following:

- Using well qualified, reputable contractors; if available, contractors vetted or trained by a PACE program are best
- Outlining contingency plans for possible tenant/business disruption or construction delays beyond the proposed construction time period
- Providing 3rd party construction consultants for larger, complex projects
- Obtaining fixed price contracts to minimize unexpected cost overruns
- Establishing a reserve fund
- Emphasizing to the mortgage lender that PACE covers all project costs (including up-front assessment costs and reserve funds) so that financial exposure to the lender is very limited

Addressing Lien Priming Concerns

PACE assessment liens are senior to a mortgage lender's claims on a property, so lien priming may be a lender's most fundamental concern. However, PACE-*Now*'s Lender Support Study found that most lenders have no blanket opposition to PACE, once they understand its structure, intent and the characteristics it shares with other assessments and property taxes they are already familiar with. The ability to withhold consent on a project makes lenders more naturally willing to consider them. For lenders with no prior knowledge of PACE, we recommend comparing the PACE assessment structure to other assessments they may be familiar with, such as water or wastewater, park, lighting, or business improvement district assessments.[3]

A mortgage lender should be comforted by PACE's conservative credit exposure. Because a typical PACE project has a total project cost-to-property value ratio of no more than 10%, a project with a 20 year PACE assessment term would have a maximum annual exposure of just half a percent (0.5%) at any given time. Even in the event of non-payment (resulting, for example, from a default, foreclosure, bankruptcy, or sale) PACE assessments do not accelerate. The maximum exposure and amount due is only the current payment (together with any unpaid past due amounts). The additional annual expense created by PACE may, in many instances, be similar to annual increases in property taxes and other involuntary tax assessments. In summary, the additional burden placed by a PACE lien on a property is generally small and often insignificant to the mortgage lender.

2 - PACE programs that require building owners to provide measurement and verification (M&V) data on completed projects are establishing a useful database that should ease lender consent requests.

3 - It should be noted that while most benefit district assessments add a cost that results in indirect improvements to properties, PACE is likely the only assessment that results in a direct property upgrade and net operating cost benefit.

Other factors which may help alleviate PACE lien concerns:

- Emphasizing that the mortgage lender will gain additional, improved collateral through PACE that will lower operating costs and increase the property value
- Illustrating that the financial exposure for the mortgage lender is minimal by providing the PACE Project/Property Value Ratio each year over the term of the assessment
- Highlighting the reduced exposure to external fluctuating energy costs and reduction in carbon emissions for larger properties
- For those cities where building performance standards are being implemented, highlighting the benefits of compliance, particularly if benchmarking data is made public
- Demonstrating that "green" buildings are more appealing to building occupants (including tenants, who may pay premium rents)

Finally, it is helpful to remind the mortgage lender that the PACE project helps achieve state and local government public policy goals and objectives.

V. Practical Tactics

Mortgage lenders are consenting to PACE projects, and will continue to do so. Examples of consenting lenders and projects are included in this Handbook. However, accurate and illustrative project data is needed for each approval. New lenders, in particular, require additional handholding and patience throughout the process. While each consent process is likely to be unique in some respects, the following considerations may be useful:

- Prepare a summary memo for the mortgage lender and request a personal meeting. A memo can be referenced at any time by multiple people within the organization and serves as a good reference guide. While an in-person meeting may not be practical in all instances, meeting face-to-face has advantages. At all times, the program and property owner should be available to answer questions.
- Start the process early. Property owners need to use their own judgment about when to approach their mortgage lender, but it is generally a good idea to get an initial read from the lender before spending too much time on a proposed project.
- Tell a story to convey the need for PACE. Lenders may need to present the request at credit committee or write a summary request. It is easiest if they are able to accompany the request with a good narrative or story that puts the request in perspective. A successful applicant will have the mortgage lender's buy-in that the project makes sense for the property.
- Emphasize the benefit for the lender. Since the mortgage lender is focused on protecting or enhancing their collateral, all information that shows improved property metrics such as decreased loan to value or lower fuel costs will be valuable. A mortgage lender who understands and underwrites the related savings of a PACE project is much more likely to provide consent.
- Stress the overall borrower-lender relationship. While not every property owner will have a broad relationship with their mortgage lender, those that do should leverage it. Mortgage lenders want to accommodate reasonable requests from valued clients. Some projects, including some that would be considered borderline, that have been approved quickly on the strength of a client relationship.

VI. Conclusion

Approaching a mortgage lender to ask for consent does not need to be difficult, time-consuming, or intimidating. If the request is framed appropriately and necessary information for evaluating the request is prepared for the mortgage lender, the requests should be handled similarly to other loan-related, special requests. Lenders of all types provide consents on a regular basis to property owners. Consents have already been granted by over 35 financial institutions, ranging from small local banks to insurance companies to large international banks. Consents have been given on various property types, including wineries and office buildings. Because PACE makes sense from a financial and building-related standpoint and physically improves the building, mortgage lenders understand its value. Overcoming common misconceptions and anticipating lender concerns can help smooth the consent process.

Part II: Forms

DRAFT

This document is for informational purposes only. Parties are advised to consult their legal counsel before entering into any agreement.

[YOUR PACE PROGRAM LETTERHEAD and mailing address]

REQUEST FOR LENDER ACKNOWLEDGMENT

AND NOTICE OF PROPOSED BENEFITS OF A PROPERTY TAX ASSESSMENT

Notice Date: _______________

Lender name
Relationship Officer
Street
City, State, Zip

Borrower and Existing Loan Information: [Borrower Name and Contact Information]
Loan Number: [999999999] **Existing & Original Loan Amount** [999,999,999]
Proposed PACE property tax assessment: [999,999]

Dear Lender:

You have been sent this notice since the owner of the property above has a loan with your bank that is secured by real property. [Borrower Name/Real Estate Owner] wishes to install energy/resource efficiency upgrades to the property using the Property Assessed Clean Energy ("PACE") financing mechanism and seeks your acknowledgement/consent to do so.

Brief Overview of PACE Energy Efficiency Financing.

In certain states legislation allows owners of real property (including commercial, industrial and multi-family housing) access to a new form of financing for energy/resource efficiency and onsite renewable energy. Funds provided to the property owner are utilized to lower the property's energy/resource costs and are repaid via a property tax benefit assessment on the tax bill. Program administration terms and conditions vary by jurisdiction and applicable program details are attached.

Key features and advantages of the PACE financing program include the following:

- Cost savings of the upgrades help offset the assessment repayment
- The property tax assessment does not accelerate on sale or transfer (no balloon)
- Repayment obligation transfers with property ownership and survives foreclosure
- In addition to reducing operating expenses, long lived upgrades may also increase property values.

PROPOSED TRANSACTION SUMMARY
See attachments for additional information
Subject Property
Street, City, State, Zip:
Assessor Parcel Number(s):
Property Type(s):
Occupancy - Owner %, Tenancy Description:
Short Property Description (15 words or less):
Property Valuation
Assessed Value (assessor's market estimate):
Recent Appraised Value (report value conclusion & date):
Changes to Property since Appraisal Date of Value:
Borrower's Estimate of Current Market Value (as-is):
Current Property Value Estimate used in LTV Calculations:
Proposed Energy/Resource Efficiency Upgrade List (include or mark those that apply below)
• Building envelope – [write your own improvement, i.e. windows, doors, insulation] • Fixed load upgrade – [HVAC, hot water] • Lighting – [fixtures, occupancy/daylight sensors] • Onsite power – [solar PV, solar thermal, fuel cell, geothermal] • Other – [water conservation, heat exchanger, waste stream] • Other -- [write in other improvement]
Upgrade Budget, Financing Details
Total Upgrade Project Budget:
Total Rebates/Incentives (excluding depreciation):
Total Amount of PACE Financing (in $):
PACE Assessment as % of Estimated Property Current Market Value:
PACE Assessment as % of Outstanding Total Debt:
LTV (Total Original Debt + PACE Assessment / Current Value Estimate Above):
Savings to Investment [SIR] Ratio (Energy/Resource Projected Savings/Assessment Payment):
Average Annual Energy Costs Used in Energy Cost Analysis ($/kWh, $/therm, $/ gal fuel oil, etc):
Estimated Average Annual Energy/Resource Savings:
Estimated Annual Assessment Repayment Amount:
Assessment Repayment Term (years):

Attached Additional Documentation (include or mark those that apply)

- Property tax bill(s), rent roll, recent full year operating statement
- Copy of recent appraisal
- Detailed description and budget of proposed upgrades, contractor name/company
- As-Is/pre-upgrade and post upgrade energy assessment/audit report
- EE Insurance policy
- Overview documents of relevant PACE financing program
- LEED, Energy Star or other ratings documentation
- Other ____

SUMMARY OF AGREEMENT

The Lender representative signing below has the authority to do so, acknowledges that (i) the PACE financing will result in a benefit assessment against the subject property, (ii) repayment will be via a property tax assessment and (iii) such financing and assessment will not constitute loan defaults under your loan secured by the subject property.

AGREEMENT and/or LENDER CONSENT, LENDER ACKNOWLEDGEMENT
Lender Representative Name:
Title:
Date:
Phone:

[YOUR PACE PROGRAM LETTERHEAD and mailing address]

Lender Name
Relationship Officer
Bank Unit Name
Financial Institution Name
Street Address, City, State, Zip

RE: PACE Financing Request for [Property or Borrower Name, Loan Name& Number, Origination Date, Maturity Date]

Dear [Bank Relationship Officer],

The owner of the property described in Appendix A wishes to make certain resource efficiency improvements to the property using funding from [PACE program]. You are being contacted because a written acknowledgement from existing lien holders that the assessment may be placed on the property and that such action will not constitute a default on the mortgage is a requirement of the program.

PACE is a municipal assessment financing program designed to fund energy efficiency, renewable energy (and in some instances, water efficiency) projects that benefit individual parcels/buildings and allow property owners to repay the cost as a contractual assessment on their property tax bill. PACE assessments are tied to the property, not its owner. The assessment functions like all other taxes, not accelerating upon sale or bankruptcy. PACE provides the building owner with up to 100% financing over a term of up to 20 years, allowing owners to realize positive cash flow immediately or over time by lowering operating costs by more than the PACE assessment. The goal of the PACE program is to increase building value and the bottom line.

Improvements for this property include [briefly list contemplated improvements] and are expected to cost [X dollars] of which [Y%] will be funded by the [your PACE Program]. The goal of the proposed improvements is to [for example, improve the energy or water efficiency, replace an outdated/non-functioning unit, add energy production capacity, etc]. The owner wishes to undertake such improvements because [for example, equipment X is functioning poorly/has exceeded its useful life and/or after undergoing an energy audit by XYZ, it has become evident that the building could function better with the recommended improvement program]. Based on cash flow analysis, the annual PACE assessment of $$$ represents [X%] of property value, with a first year exposure of XX% relative to appraised or assessed value. For further financial details and for estimated benefits to cash flow, please see Appendix A.

The proposed project has been bid by [XYZ Contractor], one of the [contractors vetted by your PACE Program]. Given the size and the scope, appropriate risk mitigation measures will be taken into consideration and may include the following: [for example, a benchmarking analysis and audit were performed pursuant to ABC standards, a contractor guaranty of energy savings, guaranty from the manufacturer, hiring of a 3rd party engineering/construction consultant, consultation with tenants in the building, etc.] Attached, please find a sample of the PACE financing process from start to finish.

We look forward with working with you on this project. In order to help us move forward with proposed PACE financing, please review the attached information and return the signed forms to us at the above address. Should you have any questions or comments, please phone us directly at xxx-xxx-xxxx or by e-mail at paceprogam@pace.gov.

Sincerely,
"PACE Program Representative."

Additional and Optional Program Related Information

[This section is intended to describe the details of Your PACE program, including a description of which state and local statutes authorize the program, any particular nuances of the program, and a description of program requirements for each application. In addition, it may be helpful to include an explanation of the where the transaction is in the PACE program approval process to indicate when the project is expected to be completed].

[Your PACE Program] was established in [YEAR] by [MUNICIPALITY] and/or [ORGANIZATION] under [cite relevant State and municipal Statutes] to authorize use of an assessment charge on the annual property tax bill as the mechanism to ensure repayment of funds provided for energy saving improvements to private property that meet a public good.

[Your PACE Program] has begun processing of the proposed PACE application which accompanies this letter. Standard procedure includes verification (which can be provided to you on request) of the following:

[See some examples below]

1. The property is located in an eligible jurisdiction
2. The improvements can be legally financed with PACE
3. The applicant is the legal owner of the property
4. The property is not subject to any involuntary liens or judgments
5. The property owner has met eligibility requirements to enter into the Program (list appropriate requirements)
6. Property taxes and assessments are current on the property and have not been delinquent for a period of five years
7. The property owner is current on any property related debt
8. The property owner is not in bankruptcy
9. The project will produce savings greater than the cost of the financing over the life of the project
10. The proposed improvements are permanently affixed to the property
11. The property owner has received the consent of the current mortgage holder(s)

Background information about [Your PACE Program]

- History of PACE program, year established
- Program Mechanics and Timelines
- Number, Type, and Amount of Transactions Already Processed
- Program Requirements
- List of Eligible Improvements
- Financing Metrics such as maximum loan amounts or terms
- Names of possible or already identified Capital Providers
- Description of any construction or post-project completion monitoring
- Contact information for questions

APPENDIX A: PACE PROJECT SUMMARY
Property Summary
Property Name/Address:
Short Property Description (in 15 words or less):
Year Built, Renovated:
Assessor's Parcel Number:
Owner and Loan Summary
Owner(s)/Address:
Ownership Structure (sole proprietor, LLC, etc):
Owner is Customer of Bank since (provide year):
Other Owner's Business with Bank:
Relationship Officer/Bank Unit Name:
Loan Name and Reference Number:
Borrower Name:
Original Loan Amount:
Current Outstanding Loan Amount:
Date of Origination:
Maturity Date:
Most Recent Property Financials (Insert of as date)
Property Gross & Net Rentable SF:
Occupancy:
Appraised/Assessed Value (specify):
Outstanding LTV:
Debt Service Coverage:
Gross Annual Revenue:
Gross Annual Expenses:
EBIT & EBITDA:
NOI:
Proposed Upgrade Summary [(Please attach cashflow statement for details]
Upgrade Description (15 words or less):
Name of Contractor(s) with bids:
Contractor Contact information:
Project Auditor Name and Contact Info (if available):
PACE and Project Financial Details
PACE Project Cost:
Total Expected Savings:
PACE Financing Term:
Simple Payback Term:
PACE Cost /Property Appraised or Assessed Value:
Annual PACE Assessment/ Property Value:
DSCR High/Low during project:
PACE Capital Provider Name and Address:
Capital Provider's Additional Terms and Conditions, including pre-payment options and covenants:

DRAFT
This document is for informational purposes only. Parties are advised to consult their legal counsel before entering into any agreement.

LENDER NOTIFICATION AND CONSENT TO PROPOSED CONTRACTUAL ASSESSMENT

Property Information

Owner and Borrower:____
Address:____
Assessor's Parcel Number:____
Lender:____
Loan Name and Number(s):____

Background Information

[The City/County/State of XXX], (the "[County]") has established the [PACE PROGRAM ("PP")] to help finance the acquisition and construction on and installation in the assessed properties, including the Property, of certain qualifying renewable energy systems and energy and water efficiency improvements (the "Improvements") pursuant to [Chapter X of Part Y of the ZZZ Code of YOUR STATE ("Contractual Assessment Law"). The City of [City], a political subdivision of the State, has resolved to participate in PP.]

In accordance with [Contractual Assessment Law], the [County] will levy a contractual assessment to finance the installation of the Improvements on certain property with the agreement of the applicable property owner pursuant to the terms of an assessment contract (the "Assessment Contract") between such property owner and the [County]. Pursuant to [Section "XXXX" of Contractual Assessment Law], the contractual assessment (including any penalties and interest) is collected on the property tax bill and is secured by a lien on the applicable property that is (i) senior to all private liens, including private liens that existed prior to levy of the contractual assessment and (ii) cannot be subordinated to the private liens.

Information regarding the purpose and method of administration of the assessments under [PP] can be found at _________ [website].

The undersigned is the lender (the "Lender") with respect to the above-referenced loan (the "Loan") relating to the above-referenced property (the "Property"), fee title of which is owned by the above-referenced Owner. In connection with the Owner's application for participation in [PP] established by the [County], the Lender hereby certifies, acknowledges, confirms and agrees as follows:

(1) He/she is duly authorized to execute this Certificate on behalf of the Lender.

(2) The Lender is in receipt of the Notice of Proposed Contractual Assessment (the "Notice") from the Owner that Owner intends to finance installation on the Property of certain renewable energy, energy efficiency and/or water efficiency improvements that will be permanently fixed to the Property by participating in [PP].

(3) As a result of an Assessment Contract between the [County] and the Owner (the "Assessment Contract") and [pursuant to Chapter X of Part Y of the ZZZ Code of YOUR STATE], the Contractual Assessment described in the Notice will be levied on the Property and the Contractual Assessment (including any penalties and interest) will be secured by a statutory lien that is senior to the Loan securing the Loan.

(4) The Lender consents to the levy of the Contractual Assessment pursuant to the Assessment Contract.

(5) The Lender agrees that the levy of the Contractual Assessment will not constitute an event of default or cause, directly or indirectly, the exercise of any remedies under any documents relating to the Loan.

The Lender further acknowledges that the Owner and the [County] will rely on this Certificate in connection with the disposition and administration of the Assessment Contract and the [PP].

[LENDER(s)]

By: ______________________________

Name:
Title:
Date:

By: ______________________________

Name:
Title:
Date:

SAMPLE INTERCREDITOR AGREEMENT

DRAFT
This document is for informational purposes only. Parties are advised to consult their legal counsel before entering into any agreement.

THIS INTERCREDITOR AGREEMENT (this "**Agreement**") is dated as of the ___ day of __________ 20___, by and between the [PACE LENDER], a ______________ ("**PACE Lender**") and [PRIVATE LENDER], a ______________ ("**Private Lender**").

RECITALS:

A. The Private Lender is the holder of a loan to [PROPERTY OWNER] ("**Owner**") that is secured by a security interest in the real property described at **Exhibit A** attached hereto (the "**Property**"). Such loan is referred to herein as the "**Loan**."

B. Owner intends to finance installation on the Property of certain renewable energy, energy efficiency and/or water efficiency improvements (the "**Authorized Improvements**") by participating in a program known as "[YOUR PACE PROGRAM]." which is sponsored by the [SPONSORING GOVERNMENT ENTITY] (the "**Gov't Entity**").

C. The Gov't Entity will provide financing to Owner through the issuance of a special tax bond (the "**Bond**") payable solely from special taxes levied on the Property (the "**Special Taxes**"), and the Bond will be purchased by PACE Lender. The Bond will be issued pursuant to a Fiscal Agent Agreement, by and between the Gov't Entity and [FISCAL AGENT] ("**Fiscal Agent**").

D. The Special Taxes will be levied on the Property, and the payment of the Special Taxes (including any penalties and interest) will be secured by a statutory lien that is senior to the lien securing the Loan.

E. The Owner has requested that the Private Lender execute and deliver that certain Lender Consent to Proposed Tax Lien, dated ________, 20___ (the "**Consent**"), pursuant to which the Private Lender would consent to the levy of the Special Taxes and agree that the levy of the Special Taxes and the creation of the proposed Special Tax lien will not constitute an event of default or trigger the exercise of any remedies under the Loan documents. As a condition to its execution of the Consent, the Private Lender requires that PACE Lender execute and deliver this Agreement prior to the PACE Lender's purchasing the Bond.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Private Lender to execute the Consent, the PACE Lender and Private Lender hereby agree as follows:

1. **Definitions.**

   Capitalized terms used below, and not otherwise defined, will have the meanings ascribed to them in the Recitals to this Agreement.

2. **Right of Foreclosure Upon Special Tax Delinquency.** **[CONFIRM TIME FRAMES]**

   (a) **Notice of Special Tax Delinquency and Cure Rights**. The PACE Lender agrees to deliver a written notice of Owner's failure to pay Special Taxes (any such failure, a "**Special Tax Delinquency**") to the Private Lender within [5] Business Days of the PACE Lender's receipt of notice to that effect from the Fiscal Agent. The Private Lender will have the right, but not the obligation, to cure any Special Tax Delinquency within the [60]-day period provided in paragraph (b) below. All amounts advanced or expended by the Private Lender to cure a Special Tax Delinquency will be deemed to have been advanced by the Private Lender pursuant to, and will be secured by the lien of, the Loan.

   (b) **PACE Lender's Exercise of Foreclosure Remedy**. If a Special Tax Delinquency occurs and is continuing, the PACE Lender, upon at least [60] days' prior written notice to the Private Lender, may exercise its right under the Fiscal Agent Agreement to direct the Gov't Entity to commence foreclosure proceedings with respect to the Special Tax Delinquency.

3. **Default by the PACE Lender or Private Lender.**

   If the PACE Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the Private Lender shall have the right to all available legal and equitable relief. Neither the Gov't Entity nor the Fiscal Agent has any obligation to the Private Lender.

4. **Notices.**

   Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") that the PACE Lender is required to give to the Private Lender pursuant to this Agreement, or that either party is permitted to give to the other pursuant to the final paragraph of this Section 4, shall be in writing and shall be deemed to have been duly and sufficiently given if (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered), or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier), or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the party as follows:

If to Private Lender: [Address 1]
[Address 2]
[City, State, Zip]
Attention:
Facsimile:

with a copy to: [Address 1]
[Address 2]
[City, State, Zip]
Attention:
Facsim ile:

If to PACE Lender: [Address 1]
[Address 2]
[City, State, Zip]
Attention:
Facsimile:

with a copy to: [Address 1]
[Address 2]
[City, State, Zip]
Attention:
Facsim ile:

The Private Lender may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its notices, but notice of a change of address shall only be effective upon receipt. Each of the PACE Lender and Private Lender each agrees that it will not refuse or reject delivery of any notice given hereunder, that it will acknowledge, in writing, receipt of the same upon request by the other party and that any notice rejected or refused by it shall be deemed for all purposes of this Agreement to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

5. General.

(a) Assignment/Successors. This Agreement shall be binding upon and shall inure to the benefit of the respective legal successors and assigns of the PACE Lender and the Private Lender.

(b) No Partnership or Joint Venture. The parties' rights and obligations in respect of Section 1 hereof do not constitute either party as a joint venturer or partner of the other. Neither party hereto shall hold itself out as a partner, agent or affiliate of the other party hereto.

(c) **Amendment**. This Agreement shall not be amended except by written instrument signed by all parties hereto.

(d) **No Merger.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

(e) **Governing Law**. This Agreement shall be governed by the laws of the State of [INSERT APPLICABLE LOCAL STATE].

(f) **Severable Provisions**. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(g) **Term**. The term of this Agreement shall commence on the date hereof and shall continue until the payment of all Special Taxes as contemplated under the Fiscal Agent Agreement.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

PACE LENDER:

[PACE LENDER]

By: ______________________________
[Name]
[Title]

PRIVATE LENDER:

[PRIVATE LENDER]

By: ______________________________
[Name]
[Title]

Acknowledged and Agreed:

OWNER:

[OWNER]

By: ______________________________
[Name]
[Title]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Part III: Additional Information

PACE Project Timeline

Property Owner	PACE Program
Property owner obtains energy audit or contractor report for potential project	
Property owner identifies project & savings, then obtains initial contractor bids	
Property owner submits preliminary PACE application	
	Review of initial application by a PACE program
Successful applicants complete full application	
For some programs, lender consent is required with full application submission; others require consent after full application approval	
	Program staff reviews application and documentation. Application review may include outside technical consultants.
	Some PACE programs work with property owner to find specialized PACE financing, if needed.
Lender consent required for all projects	
Approved applicants start project	
Once project is complete, property owner submits funding request to local PACE program	
	Upon approval (and inspection, if necessary), closing funding package sent to property owner
Signed copies of closing package returned to PACE program	
	Assessment lien recorded at closing
	Check for funding request issued
Property owner repays funding via a line item on the property tax for a term of up to 20 years. If property is sold, the assessment stays with the building	
Property owner monitors project savings	Local PACE program may monitor and verify project savings

Frequently Asked Questions (FAQs)

What's in it for the Mortgage Lender to grant consent?

PACE financing for energy efficiency upgrades and renewable energy measures makes buildings more valuable. PACE financing can make projects immediately cash flow positive, making it easier for property owners to repay their mortgages. Better cash flow results in improved DSC (debt service coverage) and a lower LTV (loan to value) as property value increases. Studies have shown that owners who make sustainable improvements are less likely than average to default on debt because they have invested in their buildings.

What happens to the PACE assessment in the event of a bankruptcy or a foreclosure?

PACE assessments do not accelerate upon a bankruptcy or foreclosure and are not extinguished. They have characteristics similar to other property taxes and assessments. As with any outstanding property tax lien, only the amount of the assessment that is overdue or current is due at the time of foreclosure. Future PACE assessments remain with the property and are assumed by its new owner. PACE assessments are never canceled or forgiven.

What would be the existing Mortgage Lender's typical PACE exposure per year?

Generally, no more than 0.5% of the property value per year. Since a PACE funded project will rarely exceed 10% of the property value, and assuming a 20 year PACE financing term, the amount due each year is approximately 0.5% of property value. Even if the assessment became delinquent, only amounts past due and current are payable. There is no acceleration.

Does the Lender need to provide any cash? If not, who provides the funds for the project and how is it structured?

Lenders do not need to provide funding for a PACE project, though nothing would prevent them from doing so, and some programs offer existing lenders a right of first refusal. To date, PACE projects have been funded by many different private market capital providers. Since PACE can be used to fund up to 100% of the cost of an upgrade, it also does not require any funds from the property budget or the property owner. If desired, an Intercreditor Agreement may be used to specify the terms between the capital provider and the mortgage lender, providing a formal mechanism for the capital provider to provide notice to the mortgage lender in the event of PACE non-payment or default. In many areas where a default on any tax triggers a default on all tax obligations, such procedural mechanisms may not be necessary.

How long does it take to complete a PACE financing or obtain lender consent?

It depends entirely on the scope of the project and related factors. Single energy conservation measures, such as replacing a boiler, may be completed fairly quickly. More comprehensive energy measures can take anywhere up to a year to complete, particularly if a comprehensive energy audit is performed. Please see the "Timeline" document for details. Lender consent for a project has been received in as little as a day, but can take up to a month for more complicated upgrades.

Can PACE financing take-out an existing commercial mortgage loan?

PACE is intended as funding for new retrofit improvements by property owners to replace outdated, inefficient equipment and to install permanently affixed, new equipment that reduces energy or water consumption or produces renewable energy. Additionally, some programs allow property owners to finance work in progress.

Partial List of Consenting Financial Institutions

National Banks:
Bank of America
JPMorgan Chase & Co
US Bank
Wells Fargo

Regional Banks:
Bank of the West
California Bank and Trust
Fifth Third Bank
First Community Bank
First Republic Bank
Guaranty Bank and Trust
Mechanics Bank
Sterling Bank
Union Bank of California
West America Bank

Local Banks:
Bank of Ann Arbor
Exchange Bank
First National Bank of Boulder
Santa Cruz County Bank
Security Bank of Kansas City
Umpuqua Bank
Whittier Trust Company of Nevada

International Banks:
Hanmi Bank
Helaba Landesbank Hessen-Thüringen
Two Major German Banks

Specialized Lenders:
Ally Capital
American Agricultural Bank
Ameriprise Financial
Eagle Bank
Lehman Brothers
New Resource Bank
Redwood Credit Union
Thrivent Financial
US Small Business Administration (SBA)
Washington D.C. Housing Authority

Insurance Companies:
Mutual of Omaha
Northwest Mutual
Riversource Life Insurance Company

Partial List of Consented Transactions

Lender Name	Consent Amount ($)	Property Description	Project Description	Property Value* ($)	PACE/Property Value*
A2B2 LLC	91,580	Other	EE HVAC	457,900	20.00%
American Ag Credit	103,519	Agricultural	RE Solar Thermal	6,773,823	1.53%
American Ag Credit	65,217	Agricultural	RE PV	2,657,280	2.45%
American River Bank	65,328	Office	EE Cool Roof	283,656	23.03%
American River Bank	65,328	Office	EE Lighting	283,656	23.03%
American River Bank	65,328	Office	EE HVAC	283,656	23.03%
American River Bank	65,328	Office	RE PV	283,656	23.03%
Ameriprise Financial	185,000	Retail	EE Lighting	25,000,000	0.74%
Bank of America	2,300,000	Industrial	EE Cool Roof	62,104,000	3.70%
Bank of America	1,609,644	Multifamily	RE PV	35,224,673	4.57%
Bank of Ann Arbor	67,342	Retail	EE Lighting	1,820,700	3.70%
Bank of the West	24,258	Agricultural	EE Cool Roof	10,526,190	0.23%
Bank of the West	90,100	Mixed Use	RE PV	1,025,000	8.79%
California Bank & Trust	120,473	Agricultural	EE Lighting	652,052	18.48%
Cen-Cal Bus Finance Group and SBA	100,000	Other	EE Cool Roof	1,331,812	7.51%
Chase	30,321	Multifamily	EE Insulation	624,240	4.86%
Chase	30,321	Multifamily	EE Windows	624,240	4.86%
Chestnutz (Private Lender)	222,160	Hotel	RE PV	763,411	29.10%
Circle Bank	24,086	Retail	RE Solar Thermal	544,446	4.42%
Exchange Bank	91,703	Office	RE PV	2,516,197	3.64%
Exchange Bank	77,925	Retail	RE PV	1,098,036	7.10%
Exchange Bank	129,160	Office	RE PV	1,721,862	7.50%
Exchange Bank	13,097	Office	EE Cool Roof	134,988	9.70%
Exchange Bank	13,097	Office	EE Windows	134,988	9.70%
First Community Bank and SBA	348,442	Industrial	RE PV	2,783,070	12.52%
First Republic Bank	42,374	Agricultural	RE PV	1,476,890	2.87%
First Republic Bank	382,423	Multifamily	EE Insulation	2,272,506	16.83%
First Republic Bank	382,423	Multifamily	EE Windows	2,272,506	16.83%
Hanmi Bank	220,319	Hotel	RE PV	2,730,000	8.07%
Marion Haddad (Private Lender)	85,000	Mixed Use	RE PV	666,407	12.75%
Mechanics Bank & Sacramento Cert. Dev. Corp	72,000	Office	EE HVAC	1,611,450	4.47%
Michigan Business Connection LLC	133,440	Multifamily	EE Lighting	4,462,500	2.99%
New Resource Bank	135,401	Retail	EE Cool Roof	3,103,646	4.36%
New Resource Bank	135,401	Retail	EE HVAC	3,103,646	4.36%
New Resource Bank	135,401	Retail	EE Insulation	3,103,646	4.36%
New Resource Bank	135,401	Retail	EE Lighting	3,103,646	4.36%
New Resource Bank	135,401	Retail	RE PV	3,103,646	4.36%
New Resource Bank	36,170	Mixed Use	RE PV	362,000	9.99%
New Resource Bank	36,170	Mixed Use	RE PV	362,000	9.99%
New Resource Bank	36,170	Mixed Use	RE PV	362,000	9.99%
New Resource Bank	36,170	Mixed Use	RE Solar Thermal	362,000	9.99%
New Resource Bank	36,170	Mixed Use	RE Solar Thermal	362,000	9.99%
New Resource Bank	36,170	Mixed Use	RE Solar Thermal	362,000	9.99%
New Resource Bank	37,648	Mixed Use	RE PV	362,000	10.40%
New Resource Bank	37,648	Mixed Use	RE Solar Thermal	362,000	10.40%
Northwestern Mutual	500,000	Mixed Use	EE Cool Roof	48,500,721	1.03%
Pacific Union Assn. of 7th Day Adventists (or Parker Mortg & Invsmt)	100,621	Hotel	RE PV	1,608,148	6.26%
Premier Valley Bank	216,596	Mixed Use	RE PV	800,000	27.07%
Redwood Credit Union	26,973	Office	RE PV	651,704	4.14%
Redwood Credit Union	107,973	Office	RE PV	1,075,645	10.04%
Redwood Credit Union and SBA	350,068	Hotel	RE PV	1,686,208	20.76%

*** For informational purposes only. Due to limited availability of property value information, some data represents appraised value, while most data shows assessed value.**

Partial List of Consented Transactions

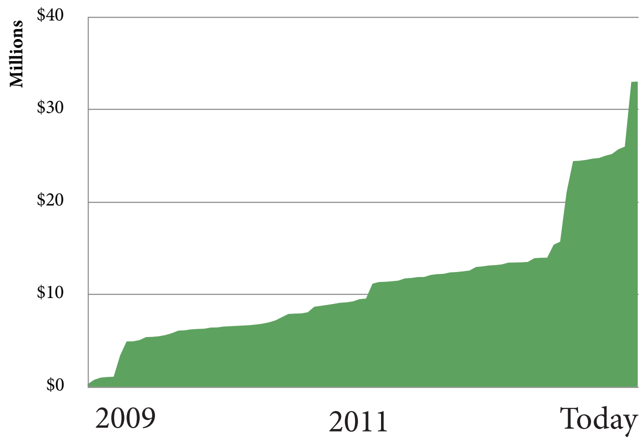
Lender Name	Consent Amount ($)	Property Description	Project Description	Property Value* ($)	PACE/Property Value*
Sterling Savings Bank	184,089	Multifamily	RE PV	3,206,406	5.74%
Sterling Savings Bank	184,089	Multifamily	RE PV	3,206,406	5.74%
Sterling Savings Bank	184,089	Multifamily	RE PV	3,206,406	5.74%
Sterling Savings Bank	184,089	Multifamily	RE PV	3,206,406	5.74%
Sterling Savings Bank	184,089	Multifamily	RE PV	3,206,406	5.74%
Sterling Savings dba Sonoma Bank	188,353	Hotel	RE PV	2,806,792	6.71%
Sterling Savings dba Sonoma Bank	88,438	Office	RE PV	773,329	11.44%
Summit State Bank	98,916	Agricultural	RE PV	1,001,267	9.88%
Thrivent	1,100,000	Mixed Use	RE Solar Thermal	11,050,420	9.95%
Umpqua Bank	10,429	Retail	RE PV	553,319	1.88%
Union Bank	399,750	Agricultural	RE PV	4,335,537	9.22%
United Bank & Trust	248,400	Office	EE Lighting	1,427,400	17.40%
Unknown	154,096	Hotel	EE Lighting	1,485,486	10.37%
US Bank	65,195	Multifamily	EE Cool Roof	779,000	8.37%
US Small Business Administration	303,803	Office	RE PV	4,743,000	6.41%
US Small Business Administration	77,925	Retail	RE PV	1,098,036	7.10%
Wells Fargo Bank	10,760	Hotel	EE Windows	1,159,190	0.93%
Wells Fargo Bank	97,506	Other	RE PV	3,159,045	3.09%
Wells Fargo Bank	324,887	Retail	RE PV	2,591,365	12.54%
Wells Fargo Bank	216,596	Mixed Use	RE PV	800,000	27.07%
Wells Fargo Bank & SBA	121,297	Multifamily	RE PV	1,743,281	6.96%
WestAmerica Bank	60,455	Industrial	EE Cool Roof	584,001	10.35%
WestAmerica Bank	60,455	Industrial	EE HVAC	584,001	10.35%
WestAmerica Bank	60,455	Industrial	EE Insulation	584,001	10.35%
WestAmerica Bank	125,214	Retail	RE PV	1,059,915	11.81%
WestAmerica Bank	100,000	Retail	EE HVAC	830,077	12.05%
WestAmerica Bank	69,127	Agricultural	RE PV	536,393	12.89%
WestAmerica Bank	98,250	Mixed Use	EE HVAC	534,563	18.38%

*** For informational purposes only. Due to limited availability of property value information, some data represents appraised value, while most data shows assessed value.**

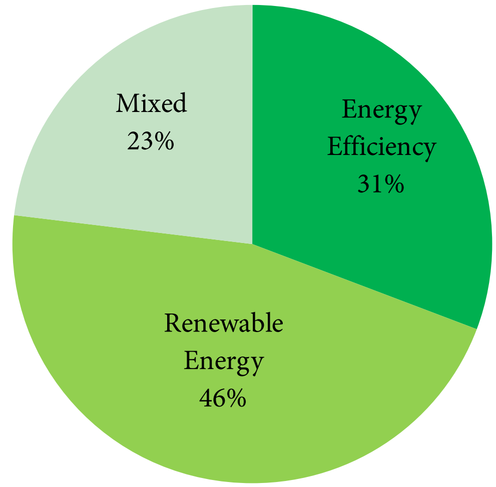
Part IV: PACE Market Data

PACE Transaction Trends
as of August 2013

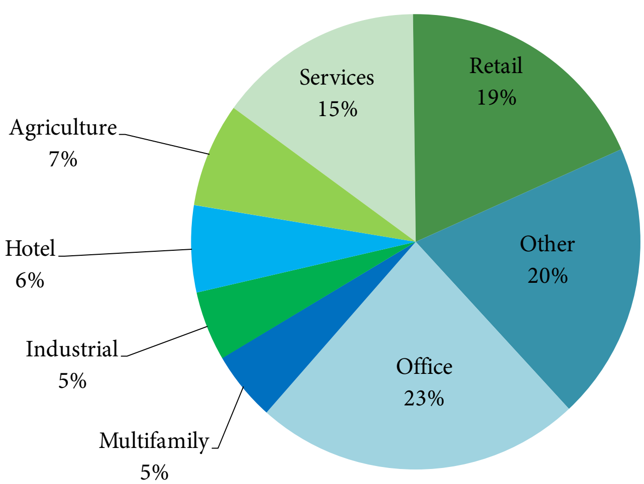
Cumulative PACE Transactions



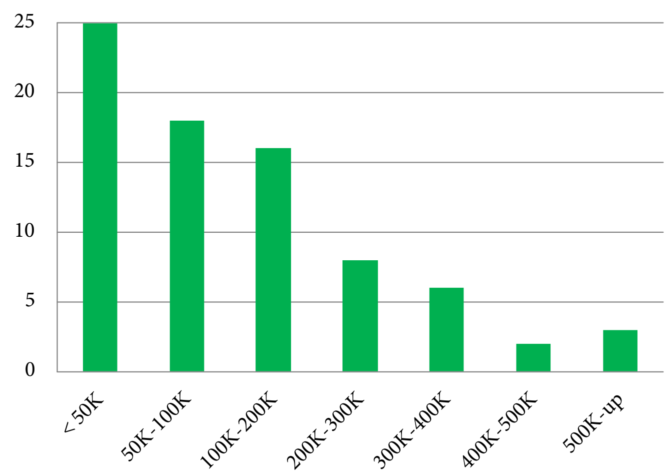
PACE Transactions, by Type of Improvement



PACE Transactions, by Property Type



Number of PACE Transactions, by Size



List of PACE Programs By State
as of August 2013

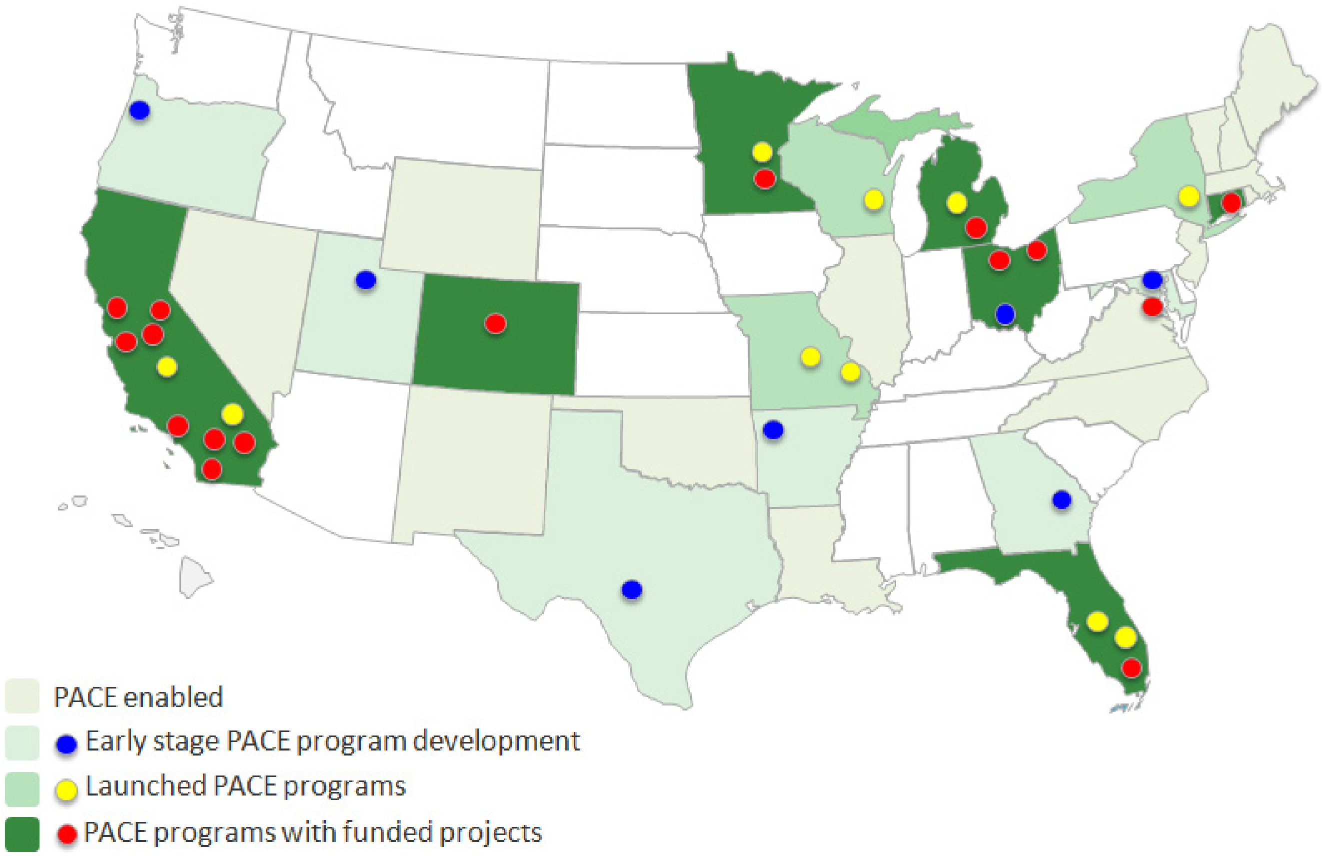
Program Name	Lead Organization	Coverage	State	Number of Projects	$ Funded
In Development	Arkansas Advance Energy Association	Fayettville	AR		
CaliforniaFIRST	Renewable Funding	16 Counties	CA	-	-
California PACE - FigTree	FIGTREE Energy	18 Counties	CA	13	1,544,745
Clean Energy Sacramento	Ygrene Energy Fund	Sacramento	CA	1	3,160,000
Energy Independence	City	Palm Desert	CA	6	600,000
Energy Independence	City	Yucaipa	CA	1	20,252
Energy Upgrade LA PACE	Sustento Group	Los Angeles County	CA	1	205,000
GreenFinanceSF	City / Renewable Funding	San Francisco	CA	1	1,400,000
HERO Program	Samas Capital	2 Counties	CA	0	-
mPower Placer	County	Placer County	CA	5	742,000
SCEIP	County	Sonoma County	CA	58	11,000,000
Climate Smart	County	Boulder County	CO	29	1,520,000
C-PACE	CEFIA	Any municipality in CT	CT	4	1,164,000
Green Energy DC	Urban Atlantic Advisors	Washington, D.C.	DC	1	290,000
FL Green Energy Works	EcoCity Partners	Any municipality in FL	FL		
FL PACE Funding Agency	SAIC, Bryant Miller & Olive	Any municipality in FL	FL		
Green Corridor District	Ygrene Energy Fund	Any municipality in FL	FL	2	210,000
Clean Energy Atlanta	Ygrene Energy Fund	Atlanta	GA		
In Development	County	Montgomery County	MD		
Ann Arbor PACE	Clean Energy Coalition	Ann Arbor	MI	5	565,000
Lean & Green Michigan	Lean & Green Michigan	Any municipality in MI	MI		
Edina Emerald Energy	Eutectics Consulting	Edina	MN	2	95,000
Minnesota PACE	Eutectics Consulting	Any municipality in MN	MN		
MO Clean Energy District	Missouri Clean Energy Funding	Any municipality in MO	MO		
Set the PACE St. Louis	Energy Equity Funding	St Louis	MO		
Energize NY	Energy Independence Corporation	Any municipality ex NYC	NY		
In Development	Greater Cincinnati Energy Alliance	Cincinnati	OH		
Lake County PACE	Lake County Port Authority	County District	OH	1	3,375,000
Toledo Municipal PACE	Toledo-Lucas Port Authority	County District	OH	49	12,000,000
In Development	County	Multnomah County (Portland)	OR		
In Development	Utah Clean Energy	Utah	UT		
In Development	Keeping PACE in Texas	Texas	TX		
Me2 Milwaukee	WECC	Milwaukee	WI		
All totals provided by program administrators			**Total Buildings Upgraded:**	**179**	**37,890,997**

Reported Applications for Future Funding:	**141**	**82,139,000**
Average Funded Transaction:		**211,682**
Average Transaction for Future Funding:		**500,000**

Legend:

- PACE programs with funded projects
- Launched PACE programs
- PACE programs in development

Map of PACE Activity as of August 2013



PACE Now
Financing Energy Efficiency