

PACE Programs Comparison Matrix

Provider Name: Golden State Finance Authority (formerly California Home Finance Authority) in partnership with Ygrene Energy Fund

Background: Golden State Finance Authority (GSFA), formerly California Home Finance Authority, was established in 1993 by the Rural County Representatives of California, a joint powers authority formed by 33 of California's rural counties. GSFA operates affordable housing programs in California, including but not limited to mortgage loan programs with low down payment requirements and competitive interest rates, down payment assistance in the form of grants or second mortgages, mortgage credit certificate tax credit programs for homebuyers, and competitive financing options for residential energy efficiency improvement projects. In 2014, GSFA formed a partnership with Ygrene Energy Fund to add PACE financing to GSFA's program offerings.

Policy	Data
Legislative Origin / Authorization	SB 555 (2011) - see Mello-Roos Community Facilities Act, CA Govt. Code secs. 53311 - 53368.3 (particularly secs. 53313.5(l) and 53328.1(a)). AB 811 (2009) - see Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code (note that the YgreneWorks AB 811 program is limited to seismic strengthening improvements).
Financing Organization	Ygrene Energy Fund
Program Administrator	Ygrene Energy Fund under contract to Golden State Finance Authority
Government Entity / Joint Power Authority (JPA)	Golden State Finance Authority (JPA) - formerly known as California Home Finance Authority
Governance Structure (e.g. who makes up the board)	The GSFA Board of Directors is comprised of designated representatives from the JPA's Member Counties. See GSFA Fact Sheet attached.
Participating Jurisdiction(s)	As of 2/11/16, 165 cities and counties in California are participating with more joining weekly. For up to date list of jurisdictions in California, see the YgreneWorks.com web site: https://ygreneworks.com/serviceareas-california/ See attached GSFA Fact Sheet listing Members and Associate Members as of 12/31/15.
Number of years of experience administering PACE Financing program	Since 2010
Location of Corporate Office and local presence in the jurisdiction being served	<p>GSFA: Golden State Finance Authority 1215 K Street, Suite 1650 ☐ Sacramento, California 95814 www.gsfahome.org</p> <p>Ygrene Energy Fund : Corporate Office: 815 5th Street, Santa Rosa, CA; regional offices in Palm Desert, CA and Chula Vista, CA. Regional offices and regional account managers located around the state including Riverside County, San Bernardino County, Orange County, San Diego County, and Los Angeles County.</p>

PACE Programs Comparison Matrix

Policy	Data
Residential (Yes/No)	Yes
Commercial (Yes/No)	Yes
Number of Customers Served to date? Residential and Commercial/ Projects Financed	<p>As of Feb. 11, 2016: \$1B in applications approved for over 21,000 residential and commercial properties \$300M in completed contracts for over 13,000 residential and commercial properties 54 multifamily (MFH) housing projects completed, making it the largest MFH funder</p> <p>See press release 2-11-16: http://www.prnewswire.com/news-releases/with-more-than-1b-in-approved-applications-for-21000-homes-and-300m-in-completed-contracts-ygrene-continues-rapid-growth-as-pace-market-leader-300218602.html</p>
Lien	<p>For SB 555, a Special Tax lien is recorded for participating properties; no bulk assessment lien is recorded.</p> <p>An assessment lien will be recorded on participating properties for seismic retrofits financed using the AB 811 program (program will be launched in Q1).</p>
Interest Rate(s)	<p>Residential: 6.5% - 8.49% depending on term chosen by property owner (5, 10, 15, or 20 years; 30 year term available for qualifying solar projects)</p> <p>Commercial: 5.99% - 7.99% depending on term chosen (5, 10, 15, or 20 years; 30 years for qualifying solar projects) and property's qualifications</p>
Term/ Loan Term	5, 10, 15, 20 years for all improvements; 30 years for qualifying solar projects
Lender/ Mortgage Notification or Consent	Upon application, a Lender Notice is provided by Ygrene to all lenders of record.
Disclosure	<p>Yes; property owners receive multiple disclosures in order to ensure they are fully informed about the nature of the financial transaction they are entering into. The following special notices are included to educate property owners of their legal rights and protections:</p> <ol style="list-style-type: none"> 1. Notice to Lender of Proposed Special Tax Lien 2. Property Owner's Acknowledgment of Sole Responsibility to Deal with Lenders 3. Notice of Special Tax Lien 4. Financing Agreement/Unanimous Approval Agreement 5. Closing Statement (includes all fees, APR/APY, capitalized interest and amortization table) 6. Assignment of Rights to Receive Proceeds

PACE Programs Comparison Matrix

Policy	Data
Pre-Lien loan to Value	90%
Post-Lien Loan to Value	100%
Total Aggregate Property Taxes/ Assessments	In accordance with SB 555. Under AB 811, the limit is 5%.
Capitalized Interest	Yes
Credit History/ Credit Check	No
Bankruptcy History	Yes
Financing Min/Max Amounts	Minimum is \$2,500 for residential; minimum is \$5000 for commercial. Residential Maximum follows CAETFA Guidelines. Commercial Maximum is 15% of property's fair market value (FMV). For both residential and commercial, total encumbrances cannot exceed 100% of FMV.
Application Fee	Yes. Residential: \$ -0- Commercial: \$250
Recording/Title Fee	Yes. Ygrene is reimbursed for third party fees charged to complete the financing. For residential, the maximum fee is \$200. For commercial, the maximum fee is \$250. See attached Program Fee Schedules from Residential and Commercial Program Handbooks.
Participates in PACE Loss Res. Program (CA State)	Yes
Reserve Deposit	None charged.
Legal Validation	Yes; see attached Validation Judgment.

PACE Programs Comparison Matrix

Policy	Data
Dispute Resolution	Yes; see attached summary of the Ygrene Consumer Protection Policy.
Consumer Protection	Yes; see attached summary of the Ygrene Consumer Protection Policy.
Property Owner Fees/Costs	Residential: See attached Residential Fee Schedule from Program Handbook. Commercial: See attached Commercial Fee Schedule from Program Handbook.
Annual Admin Fee	Currently \$62 per year; fee may not exceed \$150 per year.
Program Admin/Underwriting	Yes. Per the contract between GSFA and Ygrene, Ygrene provides all program administration and underwriting for properties wishing to participate in the program.
Prepayment Penalty	Yes, but property owners may opt out.
Average Time from Application to Payment	Residential: Varies depending on project scope and complexity. Application to approval time averages 15 minutes. Ygrene processes contractor payments three (3) times per week. The time from application to funding depends on the construction schedule. Commercial: Varies depending on project scope and complexity.
Contractor screening and Qualifications process	Yes. Before contractors can become active within the Program, they must apply, register and meet all Program requirements before receiving Ygrene Certified Contractor status. This process includes a review of current and historical information on the individual contractor's company and key employees, adherence to industry standards and practices, and validation of all licensures, including bonding, workers' compensation and other active licenses. All contractors undergo Ygrene Certified Training to ensure they can accurately support and represent the Program to property owners. Post approval, we periodically review the status of all Certified Contractors to determine they remain in good standing.
Fees to Contractor	None
How long is the training to become a participating contractor?	Contractor training and certification averages three-weeks including identification, qualification, registration, training (includes onsite instruction, webinars, in service training, and ongoing training and support via phone, email, and regular updates), and final certification. See attached summary of Ygrene's Contractor Training, Certification and Management process.

PACE Programs Comparison Matrix

Policy	Data
Do you share loan fees with jurisdictions?	No
Provide reports to participating jurisdiction – what data?	Yes. Ygrene has a standard reporting package that includes both summary and detailed project information and is compiled on a quarterly basis. The reporting package is provided to our statewide partner, GSFA, and to CAETFA per the CAETFA requirements. Additionally, Ygrene provides jurisdictions with custom reporting based on local preference.
Termination Process for Govt.	A participating city or county may opt out of the program with minimum 30 days notice. Projects approved and in process may be completed.
Language around indemnification of the joining jurisdiction?	Yes; indemnification provided by GSFA JPA Agreement and by Ygrene.
Includes solar electric?	Yes
Includes solar hot water?	Yes
Includes water efficiency?	Yes
Includes landscaping?	Yes, as long as improvements meet PACE requirements for water savings.
Includes EV charging?	Yes
Energy Audit Provided	Required for commercial projects and recommended for residential projects.
Website	YgreneWorks.com

Ygrene Overview



Ygrene Energy Fund is proud to be one of the leading providers of Property Assessed Clean Energy (PACE) financing throughout the United States, with the largest commercial and multi-family PACE and 2nd largest residential PACE programs in the country. We help home and business owners increase the value of their residences and commercial buildings while reducing their energy costs. All this while creating local jobs, generating economic stimulus, achieving mandated CO2 reduction targets—and building a safer, healthier environment for everyone.

Our award winning Ygrene Works™ PACE financing program provides immediately accessible financing with no upfront costs for energy efficiency, renewable energy, water conservation and, in certain locations, hurricane protection, electric vehicle charging stations and seismic upgrades.

Adding Ygrene to a city or county's environmental programs will ensure that property owners not only have access to the lowest rates and fees in the industry but also greater choice in energy efficiency and water conservation financing options.

Ygrene's team of experienced financial experts, top operational and funding teams, and locally connected area managers will provide a financially sound, proven PACE program that generates measurable results for your community—quickly and effectively.

Ygrene delivers best in class PACE financing with the highest standard of consumer protections and a commitment to making it easy for families to invest in their future and a healthier environment. Imagine what we can do together - Millions more in local economic investment, more local green jobs, more energy savings—and more choice in energy efficiency financing for U.S. property owners.

Learn more at ygreneworks.com.



Consumer Protection

When it comes to doing what's right for property owners, Ygrene is setting the bar higher. We are committed to ensuring the highest standard of consumer protections and lending practices in the industry.

Economic Stimulus

Ygrene can help you achieve the triple bottom line: creating jobs, building the economy, and reducing our carbon impact.

Environmental Benefit

From solar panels and wind turbines to low-flow plumbing and drip irrigation systems, Ygrene funds thousands of environmentally friendly energy and water saving improvements to fit your community.

Dedicated Team

Ygrene manages every aspect of the Program with oversight by government staff—a true turnkey operation with a dedicated team that won't impact your local budget or resources.

Zero Cost to Taxpayers

Ygrene covers all costs including implementation, customer care, marketing and financing. Not one cent comes from local taxpayers.

Ygrene Quick Fact Sheet

Founded:	2010
Government Sponsor(s):	175+ cities, counties and agencies across 3 states: California, Florida and Georgia
Cost to Participating Governments:	None
Projects (as of 12/2015):	10,700+ projects totaling over \$900 Million in approved and completed projects.
Program Impact Statistics:	<p>Jobs Created & Sustained = 13,500+</p> <p>Economic Stimulus = \$2.5 Billion</p> <p>Utility Bill Savings = \$1.1 Billion</p> <p>Renewable Energy Produced: 56 Megawatts</p> <p>GHG/CO2 Emissions Abated: 1.1 Million Metric tons</p> <p>Water Conserved: 3.8 Billion Gallons</p>
Judicial Validation:	Statewide districts formed and validated in CA and FL
Property Types:	Both commercial and residential financing available (Single family, multi-family, Retail, Industrial, Agricultural and Non- Profit)
Minimum Financing:	\$2,500 - Residential & Commercial
Maximum Financing:	15% of property value; LTV (including mortgage + PACE) cannot exceed 100% of property value
Interest Rates:	6.49% - 8.25%
Financing Terms:	5, 10, 15, 20, 25 and 30 year terms available, not to exceed useful life of the improvement. Solar PV projects may eligible for up to a 30 year term.
Program Website:	www.ygreneworks.com



FACT SHEET

Identity Golden State Finance Authority (GSFA) is a joint powers authority and a duly constituted public entity and agency, existing under and by virtue of Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

Founded 1993

Headquarters Sacramento, California

Joint Powers Authority (JPA) Membership

Member Counties (33)

Alpine County	Lake County	Plumas County
Amador County	Lassen County	San Benito County
Butte County	Madera County	Shasta County
Calaveras County	Mariposa County	Sierra County
Colusa County	Mendocino County	Siskiyou County
Del Norte County	Merced County	Sutter County
El Dorado County	Modoc County	Tehama County
Glenn County	Mono County	Trinity County
Humboldt County	Napa County	Tuolumne County
Imperial County	Nevada County	Yolo County
Inyo County	Placer County	Yuba County

Associate Member Counties (21)

Alameda County	Riverside County	Santa Cruz County
Contra Costa County	Sacramento County	Solano County
Fresno County	San Bernardino County	Sonoma County
Kern County	San Diego County	Stanislaus County
Kings County	San Francisco County	Tulare County
Marin County	San Joaquin County	Ventura County
Monterey County	San Luis Obispo County	
Orange County	San Mateo County	

Associate Member Joint Powers Authority (JPA) (1)

Independent Cities Finance Authority (ICFA)

Associate Member Cities (95)

Alturas (Modoc County)
Angels Camp (Calaveras County)
Antioch (Contra Costa County)
Arcata (Humboldt County)
Avenal (Kings County)
Bakersfield (Kern County)
Beaumont (Riverside County)
Bell (Los Angeles County)
Bellflower (Los Angeles County)
Benicia (Solano County)
Brentwood (Contra Costa County)
Buena Park (Orange County)
Carlsbad (San Diego County)
Carson (Los Angeles County)
Chino (San Bernardino County)
Citrus Heights (Sacramento County)
Clovis (Fresno County)
Colton (San Bernardino County)
Concord (Contra Costa County)
Corcoran (Kings County)
Crescent City (Del Norte County)
Danville (Contra Costa County)
Del Mar (San Diego County)
Dunsmuir (Siskiyou County)
Elk Grove (Sacramento County)
Encinitas (San Diego County)
Escondido (San Diego County)
Eureka (Humboldt County)
Fairfax (Marin County)
Fairfield (Solano County)
Firebaugh (Fresno County)
Fort Bragg (Mendocino County)
Fresno (Fresno County)
Galt (Sacramento County)
Hanford (Kings County)
Hawthorne (Los Angeles County)
Hayward (Alameda County)
Huron (Fresno County)
Imperial Beach (San Diego County)
Irwindale (Los Angeles County)
La Mesa (San Diego County)
Lafayette (Contra Costa County)
Lake Forest (Orange County)
Lancaster (Los Angeles County)
Larkspur (Marin County)
Lemon Grove (San Diego County)
Lomita (Los Angeles County)
Los Angeles (Los Angeles County)

Madera (Madera County)
Malibu (Los Angeles County)
Mill Valley (Marin County)
Montclair (San Bernardino County)
Mount Shasta (Siskiyou County)
National City (San Diego County)
Newport Beach (Orange County)
Novato (Marin County)
Oakland (Alameda County)
Oceanside (San Diego County)
Orland (Glenn County)
Palmdale (Los Angeles County)
Placerville (El Dorado County)
Poway (San Diego County)
Rancho Cordova (Sacramento County)
Reedley (Fresno County)
Rialto (San Bernardino County)
Rolling Hills Estates (Los Angeles County)
San Anselmo (Marin County)
San Diego (San Diego County)
San Jose (Santa Clara County)
San Marino (Los Angeles County)
San Rafael (Marin County)
San Ramon (Contra Costa County)
Santa Ana (Orange County)
Santa Fe Springs (Los Angeles County)
Santee (San Diego County)
Shasta Lake (Shasta County)
Solana Beach (San Diego County)
Suisun City (Solano County)
Tehama (Tehama County)
Thousand Oaks (Ventura County)
Tiburon (Marin County)
Torrance (Los Angeles County)
Tracy (San Joaquin County)
Trinidad (Humboldt County)
Twentynine Palms (San Bernardino County)
Union City (Alameda County)
Upland (San Bernardino County)
Vacaville (Solano County)
Vallejo (Solano County)
Vista (San Diego County)
Waterford (Stanislaus County)
Westminster (Orange County)
Williams (Colusa County)
Willits (Mendocino County)
Willows (Glenn County)

Mission	To provide a source of financing for individuals and families without the down payment resources to purchase a home or make energy efficiency improvements.
What We Do	<p>Offer a variety of affordable housing programs, including but not limited to mortgage loan programs with low down payment requirements and competitive interest rates, down payment assistance in the form of grants or second mortgages, mortgage credit certificate tax credit programs for homebuyers, and competitive financing options for residential energy efficiency improvement projects.</p> <p>Programs are available within GSFA Member and Associate Member regions, as well as statewide, depending on the individual program.</p>
Californian's Served	Over the past 22 years GSFA has helped more than 62,200 individuals and families purchase homes and 1,316 homeowners make energy efficiency home upgrades*.
Market Leadership	<p>From January 1993 to the present, GSFA has*:</p> <ul style="list-style-type: none"> • Assisted 62,299 individuals and families to purchase homes in California; • Provided \$87 million in down payment assistance grants; • Participated in over \$9.1 billion in loan financing of first and second mortgages; • Issued over \$2.7 billion in tax exempt and taxable mortgage revenue bonds; and • Helped 1,316 homeowners energy upgrade their residential property(ies).

Consumer Protections



Ygrene Energy Fund strives to do what's right for property owners and is committed to ensuring the highest level of consumer protections and lending practices in the industry.

Our Consumer Protection Policy includes:

- Contractor Registration, Training and Certification
- Payment Protection for Property Owners
- Safer, More Flexible Financing Platform
- Consumer Disclosures
- Three-day Right to Cancel
- Energy-efficient Product Verification
- Pricing Controls
- Permit Verification
- Consumer Identity Confirmation
- Protections for Seniors and ESL
- Privacy
- Dispute Resolution

Consumer Disclosures

We have established policies and procedures to ensure property owners are fully informed of the nature of the financial transaction they are entering into. The following special notices help educate property owners of their legal rights and protections, every step of the way:

- Notice to Lender of Proposed Special Tax Lien
- Property Owner's Acknowledgment of Sole Responsibility to Deal with Lenders
- Notice of Special Tax Lien
- Financing Agreement/Unanimous Approval Agreement
- Closing Statement (includes all fees, APR/APY, capitalized interest and amortization table)
- Assignment of Rights to Receive Proceeds

Quality Assurance and Control

Ygrene is committed to actively managing the internal processes and protocols necessary to maintain the integrity of our Program and providing property owners with the highest level of oversight and protection.

We have incorporated a layered review system that begins with an extensive evaluation of the contractor company and personnel, extends to transaction level due diligence, and is followed by post closing quality control. Our goal is to mitigate any risk associated with our business model as early as possible, and to diligently address any potential findings that may create risk for consumers, our government partners or our company.

1. Contractor Approval and Training: Before contractors can become active within the Program, they must apply, register and meet all Program requirements before receiving Ygrene Certified Contractor status. This process includes a review of current and historical information on the individual contractor's company and key employees, adherence to industry standards and practices, and validation of all licensures, including bonding, workers' compensation and other active licenses. All contractors undergo Ygrene Certified Training to ensure they can accurately support and represent the Program to property owners. Post approval, we periodically review the status of all Certified Contractors to determine they remain in good standing.

2. Contract Eligibility Review: After the property owner has approved the project but before Ygrene has provided project authorization, our Operations team obtains, reviews and approves the contract and the measures under application for financing. The contract (signed by the property owner) must note the specific improvement and specifications, the related components and scope of work to be completed, and the associated costs. Once the contract meets acceptable guidelines for clean energy upgrades and/or protections, the project scope and eligibility can be approved and a Notice to Proceed is issued to the property owner and the contractor.

3. Building Department Review: We require that the contractor obtain all required building permits prior to beginning a project. Upon project completion, a final inspection and sign off of the permitted work is obtained prior to the project funding. All documents are reviewed and signed by Ygrene Funding team as part of our pre-funding due diligence.

4. Property Owner Approval: When the work is completed and the contractor submits a payment request, we provide the property owner with an Estimated Closing Statement to affirm their approval and satisfaction, and we require the property owner to sign the statement by electronic signature. The property owner's acknowledgement by e-signature indicates satisfaction of project completion and authorizes Ygrene to pay the contractor.

5. Funding Review and Approval: The Ygrene Funding team conducts a final review of all contract documents, site inspections and property owner payment authorizations before proceeding with funding.



9. Program Fees

The following charges apply to the Program. Ygrene may change these charges at any time in response to increases or decreases in the cost of providing Program services.

RESIDENTIAL PROGRAM FEE SCHEDULE		
Application Fee	\$50	N/A
Processing & Underwriting	\$250 maximum	At disbursement*
Documentation	\$200 maximum	At disbursement*
Program Cost Recovery	Not to exceed 1% Minimum \$100	At disbursement*
Funding Fee	Not to exceed 4%	At disbursement*

*These charges may be included in the principal amount to be financed.

The county Auditor Controller charges an annual administration fee for placing special taxes on the property tax roll. The tax administrator, trustee, and loan servicer have similar fees, estimated to be approximately \$50 per year, but vary by location.

10. Special Taxes & Foreclosures

A property owner must pay the agreed-upon special tax regardless of personal financial circumstances, the condition of the property, or the performance of the Authorized Improvements. Property owners should not apply for financing if they are not certain they can meet the special tax obligations. Failure to pay property taxes in full or in part will result in financial repercussions including penalties, interest, and possibly foreclosure. If property owners use an escrow account (impound) to pay their property taxes, they should notify the escrow company of the special tax. In such cases, property owners should increase monthly payments to the escrow account by an amount equivalent to the annual special tax, divided by 12 months.

11. Compliance with Existing Mortgages

Recordation of the Notice of Special Tax Lien will establish a continuing lien as security for the obligation to pay the special taxes. The lien will be senior to private liens, including existing mortgage(s). Many mortgage and loan documents limit the ability of borrowers to place senior liens on their property without the consent of the lender. In 2010, and again as recently as August of 2014, the Federal Housing Finance Agency issued policy guidelines that question special tax liens. Program participants are encouraged to confirm with their lender(s) that participation in the Program does not violate their existing loan documents. Ygrene notifies lenders on your behalf of your intention to participate in the Program after application approval.



9. Program Fees

The following charges apply to the Program. Ygrene may change these charges at any time in response to increases or decreases in the cost of providing Program services.

COMMERCIAL PROGRAM FEE SCHEDULE		
Processing & Underwriting	\$250 or cost recovery	At disbursement*
Documentation	\$400 maximum	At disbursement*
Recording & Disbursement	\$250 maximum	At disbursement*
Program Cost Recovery	Not to exceed 1% Minimum \$500	At disbursement*
Funding Fee	Not to exceed 4%	At disbursement*

**These charges may be included in the principal amount to be financed.*

The Auditor Controller in each county charges an annual administration fee for placing special taxes on the property tax roll. The tax administrator, trustee, and loan servicer have similar fees. These fees are estimated to be approximately \$50 per year, but vary by location.

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Contractor Training, Certification and Management

We're out to change the world—one clean energy project at a time. That's why we invest our energy and resources developing a high quality, customer oriented contractor network. As part of our contractor training and certification process, we work closely to help contractors grow their business, because

when they grow, we grow. We believe we can all win by providing the smartest, most profitable energy efficiency financing tools, offering premium property owner benefits, and enabling an easy and enjoyable experience.

Contractor Registration

All contractors are registered and agree to comply with all criteria defined within our Contractor Participation Agreement. Requirements include:

Contractor Registration Requirements:

- **Contractor must register with the Ygrene Program.**
- **Contractor must possess an active, valid California contractor's license issued by the California Contractors State License Board (CSLB) and/or the California Board for Professional Engineers, Land Surveyors and Geologists. This includes meeting all bonding, classifications and worker's compensation requirements and not having any previous or current CSLB derogatory status codes.**
- **Contractor must complete training requirements and become certified through the Ygrene Certified Contractor training program before approaching a customer as a representative of the Ygrene Program.**
- **Contractor must remain in good standing with the Ygrene Program.**

Contractor Personnel Registration Requirements:

All individuals who perform work on behalf of the registered contractor in connection with the Ygrene Program also must register with the Program. This includes completing identity verification, agreeing to the Contractor Participation Agreement and meeting the same standards and expectations for Ygrene Certified Contractor training.



Making our Program easy to understand is a fundamental component to our company promise. We assist our network of contractors educate and inform property owners about our Program

with training and certification through the Ygrene Certified Contractor training program. This training program ensures that registered contractors are competent in representing PACE financing and the Program to the local community.

See Appendix for a current list of contractors certified through the Ygrene Certified Contractor program.

Before representing the Ygrene Program to a property owner, a contractor must meet initial and ongoing Ygrene Certified Contractor training requirements. Comprehensive contractor training includes the following components:

- **In Person, Individual Training – Every registered contractor is assigned to a Regional Area Manager (RAM) who provides one-to-one training to contractors. Areas of focus include gaining access to the contractor web portal, use of Ygrene Proposal Tool, process training, business development and marketing support. RAMs also attend contractor-property owner meetings, visit job sites, and provide educational material and marketing support.**





- **Webinars** – Weekly educational webinars featuring updates on Ygrene program features, software tutorials, FAQs, product overviews and operational process changes.
- **Ongoing Support** – Once initial training is complete, the RAMs role is to continue assisting and mentoring Ygrene Certified Contractors in answering property owner's questions about the Program, to ensure the successful completion of the financing and funding process, and to provide ongoing contractor mentoring and education.



Contractor Certification Training: Course Overview

Introduction to Ygrene Works

- Program history
- Funding model and management system
- Financing qualifications and underwriting

- First mortgage holder
- Eligible improvements
- Building permits
- Contractor certification requirements

How to Sell Ygrene Works

- Program features and benefits
- Contractor web portal
- Application, approval and funding process
- Proposal Tool
- Forms and documentation
- Account management

Business Development

- Marketing clean energy improvements
- Co-marketing program
- Sales performance and incentive program



“For homeowners considering financing for [energy efficient] home improvements, I don’t think there’s a better program out there than Ygrene Works.”

—Chuck W, Vinyl Designs, Sacramento CA

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California Home Finance Authority

SUPERIOR COURT OF THE STATE OF CALIFORNIA

SACRAMENTO COUNTY

CALIFORNIA HOME FINANCE
AUTHORITY doing business as GOLDEN
STATE FINANCE AUTHORITY,

Plaintiff,

v.

ALL PERSONS INTERESTED IN THE
MATTER OF THE PROCEEDINGS FOR
THE CALIFORNIA HOME FINANCE
AUTHORITY COMMUNITY
FACILITIES DISTRICT NO. 2014-1
(CLEAN ENERGY) FORMED TO
FINANCE OR REFINANCE THE
ACQUISITION, INSTALLATION, AND
IMPROVEMENT OF ENERGY
EFFICIENCY, WATER
CONSERVATION, RENEWABLE
ENERGY AND ELECTRIC VEHICLE
CHARGING INFRASTRUCTURE
IMPROVEMENTS PERMANENTLY
AFFIXED TO OR ON REAL PROPERTY
OR IN BUILDINGS, WHICH
FINANCING OR REFINANCING WILL
BE SECURED BY SPECIAL TAX LIENS
ON SUCH PROPERTY, AND THE
CALIFORNIA HOME FINANCE
AUTHORITY PACE PROGRAM TO
FINANCE THE INSTALLATION OF
DISTRIBUTED GENERATION
RENEWABLE ENERGY SOURCES,

EXEMPT FROM FILING FEES PER
FILED GOV'T CODE § 6103
Superior Court Of California,
Sacramento
07/22/2015
bsingh
By _____, Deputy
Case Number:
34-2015-00174212

CASE NO. 34-2015-00174212

~~[PROPOSED]~~ JUDGMENT OF
VALIDATION

1 ENERGY AND WATER EFFICIENCY
2 IMPROVEMENTS AND ELECTRIC
3 VEHICLE CHARGING
4 INFRASTRUCTURE AND THE
5 ADOPTION OF RESOLUTION
6 NUMBERS 14-04, 14-05, 14-07, 14-08,
7 14-09, BY THE GOVERNING BOARD
8 OF CALIFORNIA HOME FINANCE
9 AUTHORITY AND THE
10 AUTHORIZATION OF THE MATTERS
11 THEREIN, INCLUDING THE HEARING
12 REPORT, PROGRAM REPORT, THE
13 ISSUANCE AND SALE OF LIMITED
14 OBLIGATION IMPROVEMENT
15 BONDS, THE MASTER INDENTURE
16 AND ALL DEBT, CONTRACTS,
17 SPECIAL TAXES, VOLUNTARY
18 CONTRACTUAL ASSESSMENTS AND
19 OTHER MATTERS AND
20 PROCEEDINGS RELATED TO SUCH
21 PROCEEDINGS.

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Defendants.

JUDGMENT

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Plaintiff Golden State Finance Authority ("GSFA") formerly known as California Home Finance Authority ("CHFA") has effected proper service of summons by publication in accordance with Code of Civil Procedure section 861 and order of this Court, on all persons interested in the matter of the proceedings for the California Home Finance Authority Community Facilities District No. 2014-1 (Clean Energy) ("Clean Energy Program") formed to finance or refinance the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to or on real property or in buildings, which financing or refinancing will be secured by special tax liens on such property, and the California Home Finance Authority PACE Program ("CHF PACE Program") to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure and the adoption of Resolution Numbers 2014-04, 2014-05, 2014-07, 2014-08, and 2014-09 , by the governing board of GSFA and the authorization of the matters therein, including the Hearing Report, Program Report, the issuance and sale of limited obligation improvement bonds, the master indenture and all debt, contracts, special taxes, voluntary contractual assessments and other matters and proceedings related to such proceeding, and this Court therefore has jurisdiction over all said interested persons and such jurisdiction is complete, pursuant to Code of Civil Procedure Section 862.

ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that all conditions, things and acts required by law to exist, happen or be performed precedent to the adoption of the Resolutions, the execution and delivery of special taxes or voluntary contractual assessments, the levy of special taxes or the voluntary contractual assessments and issuance of bonds, have existed, happened and been performed in the time, form and manner required by law;

1 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that GSFA Resolution
2 No. 2014-04 entitled, "Resolution of the Board of Directors of the California Home Finance
3 Authority Declaring Its Intention to Establish the California Home Finance Authority ("CHF")
4 Community Facilities District No. 2014-1 (Clean Energy) and to Levy Special Taxes Therein to
5 Finance or Refinance the Acquisition, Installation, and Improvement of Energy Efficiency, Water
6 Conservation and Renewable Energy Improvements Permanently Affixed to or on Real Property
7 or in Buildings" (the "Resolution of Intention") is in all respects lawful and valid;
8

9 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that GSFA Resolution
10 No. 2014-05 entitled, "Resolution of the Board of the California Home Finance Authority
11 Declaring Its Intention to Finance Distributed Generation Renewable Energy Sources and Energy
12 Efficiency Improvements Through the Use of Voluntary Contractual Assessments Pursuant to
13 Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a
14 Public Hearing Thereon" is in all respects lawful and valid;
15

16 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that GSFA Resolution
17 No. 2014-07 entitled "Resolution of the Board of Directors of the California Home Finance
18 Authority Establishing the California Home Finance Authority ("Authority") Community
19 Facilities District No. 2014-1 (Clean Energy) and Providing for the Levy of a Special Tax
20 Therein to Finance or Refinance the Acquisition, Installation, and Improvement of Energy
21 Efficiency, Water Conservation, Renewable Energy and Electric Vehicle Charging Infrastructure
22 Improvements Permanently Affixed to or on Real Property or in Buildings and Authorizing Filing
23 of Validation Action" (the "Resolution of Formation") is in all respects lawful and valid;
24

25 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that GSFA Resolution
26 No. 2014-08 entitled "Resolution of the Board of Directors of the California Home Finance
27 Authority ("Authority") Confirming the Report Relating to the Financing of the Installation of
28 Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency

1 Improvements And Electric Vehicle Charging Infrastructure and Approving and Ordering Other
2 Related Matters” is in all respects lawful and valid;

3
4 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that GSFA Resolution
5 No. 2014-09 “Resolution of the Board of Directors of the California Home Finance Authority
6 Authorizing Issuance of the Limited Obligation Improvement Bonds, Approving and Directing
7 the Execution of Related Documents and Approving Related Actions” is in all respects lawful and
8 valid;

9
10 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that all proceedings by
11 and for Plaintiff in connection with the Clean Energy Program and CHF PACE Program,
12 including the adoption of the Resolutions, the approval of and execution of the special taxes,
13 contractual assessment agreements, and all proceedings related to or leading up to the adoption of
14 the Resolutions, the providing of financing to property owners, and the issuance of the Bonds,
15 and all matters related thereto, and any related contracts or agreements approved by the
16 Resolutions in connection with the Clean Energy Program and CHF PACE Program or the
17 execution and delivery of the Bonds were and are valid, legal and binding acts of GSFA in
18 accordance with their terms and were and are in conformity with the applicable provisions of all
19 laws and enactments at any time in force or controlling upon such proceedings, whether imposed
20 by law, constitution, statute or ordinance, and whether federal, state or local is in all respects
21 lawful and valid;

22
23 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the Clean Energy
24 Program, including the formation of the District and the “Hearing Report,” is in all respects
25 lawful and valid

26
27 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the Unanimous
28 Approval Agreement and Assignment Agreements, are in all respects lawful and valid;

1 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that Ordinance No. 2015-
2 01 levying a special tax for fiscal year 2015-2016 and following fiscal years solely within and
3 relating to the California Home Finance Authority Community Facilities District No. 2014-01
4 (Clean Energy) is in all respects lawful and valid;

5
6 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that special tax liens
7 levied by GSFA pursuant to the Clean Energy Program are in all respects lawful and valid;

8
9 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to SB 555,
10 which expanded the reach of the Mello-Roos Community Facilities Act of 1982, the entry of
11 unanimous written approval agreements with the owners of the parcel when it is annexed and the
12 levy of special tax liens to be recorded pursuant thereto and authorized the entry of Assignment
13 Agreements, to finance the installation of distributed generation renewable energy sources,
14 energy efficiency improvements and water efficiency improvements and electric vehicle charging
15 infrastructure, together with the interest and any penalties thereon, shall constitute valid special
16 taxes against the lots and parcels of land on which they are made until they are paid under
17 California law, including but not limited to Article XIII D, and shall be collected in the same
18 manner and at the same time as the ad valorem taxes on real property are payable, and have the
19 same lien priorities, penalties and remedies in the event of delinquency and default, as ad valorem
20 tax, and that such obligations, pursuant to Section 53340(e) of the Mello-Roos Act, shall be "shall
21 be collected in the same manner as ordinary ad valorem property taxes are collected and shall be
22 subject to the same penalties and the same procedure, sale, and lien priority in case of
23 delinquency as is provided for ad valorem taxes, unless another procedure has been authorized in
24 the resolution of formation establishing the district and adopted by the legislative body";

25
26 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the Clean Energy
27 Program, including the Resolutions, and all proceedings related or leading up to the adoption of
28 the Resolutions, the unanimous written approval agreements, the levy of special tax liens, the

1 providing of financing to property owners, and all matters related thereto do not constitute a gift
2 of public funds or the giving or lending of public credit of GSFA, in violation of California
3 Constitution, Article XVI, Section 6 and do not constitute a taking of private property without due
4 process of law in violation of the Fifth and Fourteenth Amendments to the United States
5 Constitution or California Constitution, Article I, Section 19;

6
7 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the Clean Energy
8 Program, including the Resolutions, and all proceedings related or leading up to the adoption of
9 the Resolutions, the unanimous written approval agreements, the levy of special tax liens, the
10 providing of financing to property owners, and all matters related thereto, including but not
11 limited to the lien priority of the special tax liens, do not violate the prohibition against
12 "impairing the obligation of contracts" as provided in the United States Constitution, Article 1,
13 Section 10, clause 1, or the parallel provision in California Constitution, Article I, Section 9, do
14 not constitute a taking of the pre-existing private lenders' property and do not constitute a taking
15 of private property without due process of law in violation of the Fifth and Fourteenth
16 Amendments of the United States Constitution or Article I, Section 19 of the California
17 Constitution;

18
19 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the special tax liens
20 levied by GSFA under the Clean Energy Program are not "assessments" within the contemplation
21 of California Constitution, Article XIII D, and therefore the procedural and substantive
22 requirements imposed by Article XIII D, and Government Code Section 53750, et seq. are not
23 applicable to proceedings under Chapter 29;

24
25 ITS IS FURTHER ORDERED, ADJUDGED AND that GSFA has the legal authority to
26 levy the special tax liens on behalf of its Associate Member Entities on properties located within
27 such Associate Member Entities pursuant to SB555, to place such special tax liens on the tax roll
28

1 of the counties in which such Associate Member Entities are located and to collect such special
2 taxes on the tax rolls of such counties;

3
4 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that even if the special tax
5 liens contemplated by the Clean Energy Program are "assessments" within the contemplation of
6 California Constitution, Article XIII D, the rights conferred under Article XIII D are personal and
7 may be, and by the unanimous written approval agreements will be, validly waived by the
8 property owner and are valid and binding under Article XIII D;

9
10 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the unanimous
11 written approval agreements and the levy of special tax liens contemplated by the Clean Energy
12 Program are not imposed "fees" or "taxes" within the contemplation of California Constitution,
13 Article XIII C, and therefore the procedural and substantive requirements imposed by Article XIII
14 C section 2 are not applicable to proceedings under SB 555;

15
16 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that it is a valid public
17 purpose for GSFA to enter into unanimous written approval agreements and levy of special tax
18 liens, to finance installation of improvements authorized by SB 555 on private property;

19
20 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the placement and
21 collection by GSFA of special tax liens on the tax roll of the counties within which Associate
22 Member Entities are located is in all respects lawful and valid;

23
24 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the CHF PACE
25 Program, including the preparation of the "Program Report," is in all respects lawful and valid
26
27
28

1 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the voluntary
2 contractual assessments levied by GSFA pursuant to the CHF PACE Program are in all respects
3 lawful and valid;

4
5 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that Indentures and Bond
6 Purchase Agreements are in all respects lawful and valid;

7
8 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the placement and
9 collection by GSFA of the voluntary contractual assessments on the tax roll of those counties
10 within which Members are located are in all respects lawful and valid;

11
12 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that GSFA has the power
13 and authority under California law to cause the execution and delivery and issuance and sale of
14 the Bonds and all contracts and agreements enacted pursuant or related thereto, including the
15 contractual assessment agreements;

16
17 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that, upon execution and
18 delivery, the Bonds authorized by GSFA Resolution No. 2014-09 and the contractual assessment
19 agreements authorized by Resolution No. 2014-08 constitute legal, valid, and binding obligations
20 enforceable in accordance with their terms;

21
22 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Streets
23 and Highways Code Section 5898.30, the voluntary contractual assessments levied by GSFA to
24 finance the installation of distributed generation renewable energy sources, energy efficiency
25 improvements and water efficiency improvements and electric vehicle charging infrastructure,
26 together with the interest and any penalties thereon, shall constitute valid assessment liens against
27 the lots and parcels of land on which they are made until they are paid under California law,
28 including but not limited to Article XIII D, and shall be collected in the same manner and at the

1 same time as the general taxes on real property are payable, and have the same lien priorities,
2 penalties and remedies in the event of delinquency and default, as assessments levied pursuant to
3 Division 10 of the Streets and Highways Code, commencing with Section 8500, and that such
4 liens, pursuant to Article 13 of Division 2 of Title 5 of the Government Code, shall be "prior and
5 superior to all liens, claims and encumbrances except (a) the lien for general taxes or ad valorem
6 assessments in the nature of and collected as taxes levied by the state or any county, city, special
7 district or other local agency; (b) the lien of any special assessment or assessments the lien date of
8 which is prior in time to the lien date of the assessment ... ; (c) easements constituting servitudes
9 upon or burdens to said lands; (d) water rights, the record title to which is held separately from
10 the title to said lands; (e) restrictions of record.";

11
12 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the CHF PACE,
13 including the Resolutions, and all proceedings related or leading up to the adoption of the
14 Resolutions, the providing of financing to property owners, and the issuance of the Bonds, and all
15 matters related thereto do not constitute a gift of public funds or the giving or lending of public
16 credit of GSFA, in violation of California Constitution, Article XVI, Section 6 and do not
17 constitute a taking of private property without due process of law in violation of the Fifth and
18 Fourteenth Amendments to the United States Constitution or California Constitution, Article I,
19 Section 19;

20
21 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the CHF PACE
22 Program, including the Resolutions, and all proceedings related or leading up to the adoption of
23 the Resolutions, the providing of financing to property owners, and the issuance of the Bonds,
24 and all matters related thereto, including but not limited to the lien priority of the assessments, do
25 not violate the prohibition against "impairing the obligation of contracts" as provided in the
26 United States Constitution, Article 1, Section 10, clause 1, or the parallel provision in California
27 Constitution, Article I, Section 9, do not constitute a taking of the pre-existing private lenders'
28 property and do not constitute a taking of private property without due process of law in violation

1 of the Fifth and Fourteenth Amendments of the United States Constitution or Article I, Section 19
2 of the California Constitution;

3
4 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the contractual
5 assessments levied by GSFA under the CHF PACE Program are not "assessments" within the
6 contemplation of California Constitution, Article XIII D, and therefore the procedural and
7 substantive requirements imposed by Article XIII D, and Government Code Section 53750, et
8 seq. are not applicable to proceedings under Chapter 29;

9
10 ITS IS FURTHER ORDERED, ADJUDGED AND that GSFA has the legal authority to
11 levy the contractual assessments on behalf of its Associate Member Entities on properties located
12 within such Associate Member Entities pursuant to Chapter 39, to place such assessments on the
13 tax roll of the counties in which such Associate Member Entities are located and to collect such
14 assessments on the tax rolls of such counties;

15
16 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that even if the
17 contractual assessments contemplated by the CHF PACE Program are "assessments" within the
18 contemplation of California Constitution, Article XIII D, the rights conferred under Article XIII
19 D are personal and may be, and by the assessment contract will be, validly waived by the property
20 owner and are valid and binding under Article XIII D;

21
22 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the contractual
23 assessments contemplated by the CHF PACE are not imposed "fees" or "taxes" within the
24 contemplation of California Constitution, Article XIII C, and therefore the procedural and
25 substantive requirements imposed by Article XIII C section 2 are not applicable to proceedings
26 under Chapter 29;

1 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the contractual
2 assessment agreements and the Bonds and any and all contracts and agreements executed and
3 delivered in connection therewith are legal, valid and binding obligations under the Constitution
4 and laws of the State of California;

5
6 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that it is a valid public
7 purpose for GSFA to levy contractual assessments to finance installation of improvements
8 authorized by Chapter 29 on private property;

9
10 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that the placement and
11 collection by GSFA of contractual assessments on the tax roll of the counties within which
12 Associate Member Entities are located is in all respects lawful and valid;

13
14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that jurisdiction of all
15 interested persons in this action was complete on May 4, 2015, ten (10) days after the completion
16 of publication of the Summons pursuant to Section 861 of the Code of Civil Procedure and
17 Section 6063 of the Government Code;

18
19 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that should GSFA need to
20 amend this Judgment to address amendments to the Hearing Report, Program Report or the Joint
21 Powers Agreement to reflect the participation of additional Associate Member Entities, it shall
22 apply to this Court *ex parte* for an order amending this Judgment and publish notice of such
23 hearing in the Sacramento Bee and in a newspaper published in the local jurisdiction and post
24 notice of such hearing in a public place within the boundaries of the Associate Member Entities
25 affected by the amendments, for three days prior to such hearing;

26
27 ITS IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to Code of
28 Civil Procedure section 870, the final judgment in this action shall, notwithstanding any other

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P.O. Box 1028
RIVERSIDE, CALIFORNIA 92502

provisions of law, be forever binding and conclusive, as to all matters herein adjudicated or which could have been adjudicated, against all persons interested. The judgment shall permanently enjoin the institution by any person of any proceeding raising any issues as to which the judgment is binding and conclusive;

Date: **JUL 22 2015**, 2015

By:

Judge of the Superior Court

RAYMOND M. CADEI



Golden State Finance Authority (GSFA) /

Ygrene Works

PACE Consumer Protection Policies

Residential Property Assessed Clean Energy Program

Updated: March 21, 2016

OVERVIEW

Thirty-two states and the District of Columbia have enacted legislation enabling Property Assessed Clean Energy (PACE) programs. PACE programs provide an essential public benefit and contribute to the general public welfare by reducing carbon emissions, improving the quality of the environment, and improving energy and weather resiliency of the U.S. building stock. Various state and federal legislation presents the following arguments in support of the public benefit derived from PACE programs:

1. That global warming poses a serious threat to the economy, public health, natural resources and the environment;
2. That in 2009 the Environmental Protection Agency (“EPA”) declared that the rising levels of carbon dioxide emissions contribute hazard to human health and are consequently considered pollutants for regulatory purposes;
3. That such conditions as climate change and habitat degradation necessitate urgent efforts to maximize energy and water resources;
4. That the public purpose will be served by encouraging and installing energy- and water-saving, and renewable energy-generating improvements on private property;
5. That Federal tax credit legislation for solar energy systems, geothermal heat pumps, wind turbines and fuel cells recognizes the public benefit and provides incentives for installation on private property of these renewable energy generation systems;
6. That California PACE legislation qualifies as an “urgency statute” necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution;
7. That action taken to curb energy and water consumption and to reduce carbon emissions will have far-reaching effects in each participating state and, potentially, in the world.

PACE programs provide demonstrated public benefit while enabling an unprecedented range of homeowners to access energy efficiency, renewable energy and water efficiency measures that improve the financial, functional and environmental aspects of home ownership. Such improvements make homes less costly to operate and more comfortable to live in, while reducing energy and water consumption. Without PACE programs many homeowners would have no, or costly, access to such benefits.

PACE programs (“PACE Programs” or the “Program”), including the government authority sponsoring and administering them (“Authority”) and, where applicable, the entity or entities who help implement them (“Partner” or “Program Administrator”), deliver tools and resources that enable homeowners to make smart, informed and responsible choices regarding energy efficiency, renewable energy generation, water conservation, weather resiliency and seismic upgrade measures (“Measures”). Appropriate use of such tools is the responsibility of all Programs, which means that care needs to be taken with homeowners before, during and after origination of Program financing. In other words, upholding consumer protections that serve homeowners must be a core value of the Program, the Authority and the Partner. In this document, “Partner” refers to the government authority in all cases where the Program does not include a third-party partner.

This document is intended to address best practices and guidelines for Golden State Finance Authority (GSFA) and Ygrene Energy Fund’s ‘Ygrene Works’ residential PACE program for single-family homes and multi-family (<4) units, and is intended to be a living document that evolves with best practices, consistent with enabling legislation enacted in a plurality of states. This document incorporates policies first developed and implemented by Ygrene Energy Fund in 2011, and has been updated from time to time. The baseline consumer protection policies of the Program cover the following areas: (i) Risk, (ii) Disclosures and Documentation, (iii) Financing Terms, (iv) Operations, (v) Post-Funding Support, (vi) Data Security, (vii) Privacy, (viii) Marketing and Communications, (ix) Protected Classes, (x) Contractors, (xi) Eligible Products, (xii) Pricing, (xiii) Reporting, and (xiv) Closing & Funding. These Policies provide homeowners with a greater level of consumer protection than any other form of financing. They also guide the Program’s implementation, enabling the transformation of its potential into tangible benefits for homeowners.

1. RISK

Policy Summary: *The Program blends statutory requirements and legislative policy with traditional credit risk considerations to develop risk criteria that are fitted to the Program. These criteria take into account the unique risk profile that this form of financing presents to enable qualifying homeowners to access it. While this process will exclude unqualified homeowners and properties, special consideration has been given to developing inclusive standards. These criteria examine four key attributes of every financed project: (i) the real property on which the improvements will be installed (“Property” or “Properties”), (ii) the encumbrances presently recorded against the Property, (iii) the nature of the improvements to be installed; and (iv) the homeowner’s mortgage and property tax payment history.*

1.1. Properties Consistent with foundational considerations, it is the policy of the Program to make the Program available to the entirety of the existing residential housing stock within the municipal boundaries of the Program. If requested in good faith by the homeowner applying for the Program, the rejecting Partner must complete an eligibility review of all applications related to properties initially determined to be excluded, re-examining the specific attributes of the Property in question and confirming or modifying the original determination.

1.2. Encumbrances The encumbrance profile of Properties is an important element of the decision process for Program participation. The Program is designed to harness unused financing capacity of homes in which eligible improvements are installed. Such financing is inappropriate if it burdens Properties too greatly. Accordingly, Properties eligible for Program financing will have the following attributes:

- 1.2.1. Mortgage debt on the Property may not exceed 90% of the Property’s fair market value (“FMV”), or assessed value if market value data is unavailable or unreliable, at the time of initial approval;
- 1.2.2. Reliability of the Program FMV model should be derived from generally accepted third-party property valuation services;
- 1.2.3. Financing may not exceed (i) fifteen percent (15%) of the FMV of the Property;
- 1.2.4. Total mortgage debt on the underlying Property plus Program financing may not exceed the FMV of the Property; and
- 1.2.5. The total amount of annual property taxes and assessments shall not exceed five percent (5%) of the Property’s FMV.

1.3. Eligible Improvements The Program provides financing for a broad range of eligible products and projects permanently affixed to the Property, the details of which are set forth in Section 12 below. The Program is not available to finance ineligible products and projects

that are disallowed or excluded by individual state laws. While the Program is responsible for confirming compliance with the Section 12 requirements, it is not responsible for determining post-installation energy performance, savings or efficacy of such products or projects. The Program relies primarily on applicable state PACE laws, as well as U.S. Department of Energy, the EPA and other government agencies in determining what constitutes an eligible improvement.

1.4. Homeowners PACE Program taxes or assessments appear as line items on property tax bills and homeowners repay their financing when they pay their property tax bills. Thus the mortgage and property tax payment history of homeowners of record is an important factor in determining Program eligibility. Accordingly, at the time of application, homeowners eligible for Program financing will have status and payment histories that are generally consistent with the following:

- 1.4.1. The Applicants are the owners of record;
- 1.4.2. Property tax payments for the assessed Property are current. Additionally, the homeowner must certify that there is no more than one late payment for the shorter of (i) the previous three years, or (ii) since the present homeowner acquired the Property;
- 1.4.3. Homeowner(s) are current on all mortgage debt and have not had a Notice of Default (NOD) recorded on the property for the last 3 years, Additionally, the homeowner must certify that there has been no more than one “30-day late” payment during the 12-month period preceding funding;
- 1.4.4. Homeowner(s) cannot currently be in bankruptcy and must meet additional bankruptcy provisions as specified by the relevant state PACE law; and
- 1.4.5. Any involuntary lien(s) recorded against the Property in excess of \$1,000 must be added to the mortgage debt for the purposes of calculating the debt on the Property.

1.5. Exceptions From time to time, the Administrator or Partner will approve exceptions to these criteria, provided that the homeowner presents compelling justification and documentation of the unique compensating factors related to their application for financing, and provided that such exception is approved by the participating financial partner(s) and conforms to state law.

2. DISCLOSURES & DOCUMENTATION

Policy Summary: *The enforceability of the Program is derived from the documentation established and approved by the Authority consistent with enabling state legislation. Further, in states where judicial validation proceedings are available, it is considered best practice to complete judicial validation of the Program prior to commencement. Program documentation embodies principles key to the Program such as clarity, fairness, compliance, disclosure, knowledge and completeness. A reader who has spent time with the documentation should develop an unambiguous understanding of each and every right, risk and obligation associated with the Program's financing product. PACE is a form of tax financing that, while sharing some features of traditional debt financing, presents new considerations for homeowners. Disclosures covering Program financing's unique repayment cycle (annual or semiannual) and the Federal Housing Finance Authority announcement regarding payoff of Program financing at the time of sale or refinance are among the new considerations. Best practices counsel the Program to disclose traditional financing terms (e.g., interest rates, financing term, payment amounts) as well. In the end, a homeowner who understands a Program's disclosures will be informed and have a clear understanding of the Program's traditional and non-traditional features.*

2.1. Document Timing Before commencement of any Program-financed project, a homeowner must: (i) submit an application; (ii) receive approval of the Measures from the Partner; and (iii) execute documentation covering the terms describe in this Section and in the Disclosures summarized in this Section. Following installation of the Measures, a homeowner must: (i) execute an acknowledgement that the installation of the Measures has been completed satisfactorily and (ii) approve a final summary of costs and payments. Delivery to, and execution of all such documentation by, the homeowner is the responsibility of the Partner.

2.2. Purchase Terms Terms that are fundamental to the Program and that need to be reflected in its documents comprise: (i) the amount financed, fees and capitalized interest included; (ii) the repayment process and schedule; (iii) the payment amounts; (iv) a term that does not exceed the useful life of the majority of the improvements; (v) the rate of interest charged; (vi) a payment schedule that fully amortizes the amount financed, (vii) the nature of the lien created upon recordation; (viii) the specific improvements to be installed; (ix) the 3-day right to cancel the financing; and (x) the right to withhold approval of payment until the project is complete. It is the responsibility of the Partner to prepare, deliver and arrange for execution of documents reflecting such terms.

2.3. Homeowner Disclosures Policies Disclosures heighten homeowners’ awareness of key program financing terms and risks that appear in the Program terms and documentation. It is the policy of the Program that Partners confirm delivery to, and receipt by, homeowners of these disclosures, and obtain written acknowledgement that homeowners have read them.

The following comprise the key financing disclosures of the Program provided by Partners.

Disclosures	Description
Term of financing	The maximum time period of the financing
Amount financed	The total amount financed, including fees and capitalized interest
Annual payment amount	The amount due each year, even if paid in semi-annual installments or through impound payments
Improvements financed	The Measures installed
FHFA risks	The risk that the homeowner may need to pay off the PACE special tax or assessment at the time of sale or refinance
Right to cancel	The 3-day right to rescind the financing
Prepayment	The right to prepay the Program financing, with or without penalty, depending on terms selected by the homeowner

The following comprise additional program-specific disclosures of the Program provided by Partners.

Additional Disclosures	Description
Program overview	A document or section of a document that provides a comprehensive summary of the Program, including a summary of a homeowner’s rights and obligations
Property tax repayment process	Payment of a homeowner’s property tax bill that will include a line item related to the installed Measures
Tax benefits	Benefits associated with the purchase of certain Measures and the annual payments related to them
Privacy	A notice describing the privacy policies of the Program
Federal disclosures	Those appearing in the Program application

Additional Disclosures	Description
Foreclosure	The foreclosure process in the event of a homeowner default

2.4 Confirmation of Terms For all Program financing applications associated with contractors that are either new to the Program or are on some form of watch list, it is the policy of the Program that such Partners confirm live by telephone with the homeowner applicant each Program financing term listed in 2-7 of this Section 2.4 below. This requirement does not apply to contractors who have reached the Partner's top rating category. For these contractors, it is the policy of the Program that they conduct randomized calls to homeowners to confirm financing terms.

Notwithstanding the above, irrespective of the contractor with whom the Program financing is associated, it is the policy of the Program that Partners confirm live by telephone with each applicant who is over 64 years old, or is a member of another special category of homeowners as designated by the Program financing terms listed in 1-7 of this Section 2.4 below. For homeowners over 64 years old, a voicemail message does not satisfy the requirement of Program financing term confirmation under this Section 2.4.

When confirming terms of a Program financing with a homeowner, Partners will:

- 2.4.1 Ask the homeowner to give a general description of the improvement(s) being financed under the Program. Ascertain that the homeowner understands the reason for the specific improvement(s) being made;
- 2.4.2 Ascertain that the homeowner understands his or her total estimated annual payment;
- 2.4.3 Ascertain that the homeowner understands the date his or her first tax payment will be due;
- 2.4.4 Ascertain that the homeowner understands the term of the Program financing;
- 2.4.5 Ascertain that the homeowner understands any additional fees (including recording fees) that will be charged to him or her;
- 2.4.6 Ascertain that the homeowner understands that payments for the Program financing will be added to his or her property tax bill and will cause the property tax bill to increase;
- 2.4.7 Ascertain that the homeowner understands that he or she may make payments on the Program financing either directly to the county assessor's office or through his or her mortgage impound account.

2.5 Lender Disclosure Policy For all Program financing contracts a notification must be sent to all lenders of record outlining the key terms of the project to be undertaken on the Property. This notification shall be transmitted by the Partner on behalf of, and with the consent of, the Property Owner.

3 FUNDING

Policy Summary: *PACE is a new form of tax financing that, while sharing some features of traditional debt financing, presents new considerations for financing capital sources and structures. Best practices counsel the Program to proactively solicit feedback from Program stakeholders and homeowners and incorporate lessons into policy improvements which benefit homeowners.*

3.1 Interest Rates It is the policy of the Program that Partners offers payment arrangements that fully amortize the obligation over the term of the financing.

3.2 Sustainable Funding Source It is the policy of the Program that Partners establish a sustainable source of capital for funding PACE-financed projects separate from the Authority's general fund or budget and have access to capital markets to ensure funding of qualified projects is available on a consistent basis. Each Partner must demonstrate the capacity to fund assessments that the Administrator anticipates originating through such Partner over the six (6) month period immediately following the Administrator's review of such Partner's committed capital sources.

3.3 Subordination The Program is not required to but may offer the capability to accommodate homebuyers and homeowners by offering subordination of certain rights of its PACE assessment lien to the lien under a deed of trust. The subordination may provide the lien under a deed of trust with senior rights such that the lender will be induced to make a loan on a PACE-assessed property. The subordination option may be made available to homebuyers and homeowners in accordance with policy agreed upon by the Authority and the Partner.

3.4 Contractor Fees It is the policy of the Program that Partners can charge fees to contractors offering Program financing only if those Partners clearly and conspicuously disclose such fees to homeowners.

4 OPERATIONS

Policy Summary: *Partner Operations delivers the Program to homeowners. Operations commercializes, productizes and draws on the work completed in a broad range of disciplines by the Program or its Partner, such as sales, training, risk, contractor engagement, municipal engagement, accounting, finance, legal, capital markets, compliance, business development, marketing, government affairs and corporate development. While each operating unit incorporates thoughtful and highly effective consumer protections in the work it produces, Operations is the gatekeeper responsible for assuring that the Program has the people, processes, tools and technology necessary to deliver to homeowners the Program financing product, as well as the consumer protections described in these Policies.*

Operational Consumer Protection Policies It is the policy of the Program that the Administrator or its Partner develop and provide people, processes, tools and technology necessary to support the consumer protection measures described in detail elsewhere in this manual, including: (i) risk and underwriting processes; (ii) terms and documentation delivery systems; (iii) documentation, maintenance and retrieval processes; (iv) disclosure development, delivery and acknowledgment receipt; (v) post-funding support for homeowners and other stakeholders such as real estate professionals; (vi) data security measures; (vii) privacy policy development and protections; (viii) marketing and communication oversight; (ix) protected class data and communication processes; (x) contractor management and engagement; (xi) eligible product database and/or list development and maintenance; (xii) implementation of the maximum financing amounts; (xiii) key metrics reporting; (xiv) closing and funding processes (including the ability to fulfill financing obligations); (xv) examination data production; and (xvi) implementation of procedures to identify and prohibit conflicts of interest within and associated with the Program.

5 POST-FUNDING HOMEOWNER SUPPORT

Policy Summary *A public/private partnership is at the core of the Program. This partnership carries with it elevated consumer protection responsibilities that apply to the Program with as much significance during the post-funding period as they do during the time of application and origination. Establishing and operating an executive office responsible for customer care that responds to inquiries, complaints, contractor and workmanship concerns, product performance questions and related matters for the lifecycle of the improvements financed is fundamental to the consumer protections that the Program provides.*

- 5.1 Proactive Engagement** It is the policy of the Program to proactively monitor and test the consumer protections Partners deliver to homeowners, and periodically request feedback from homeowners and contractors to identify areas in need of improvement.
- 5.2 Onboarding** It is the policy of the Program that Partners develop and implement a post-installation onboarding procedure to reinforce key characteristics of the Program, such as those highlighted in the Program disclosures.
- 5.3 Payments** It is the policy of the Program that Partners have disclosures and resources in place to resolve homeowner questions regarding matters such as impound account catch-up payments, payment timing inquiries and payment amount reconciliation. It is also the policy of the Program that Partners implement procedures for responding in a timely and complete manner to requests for partial or full prepayment of their PACE property tax assessment.
- 5.4 Inquiries and Complaints** It is the policy of the Program that Partners receive, manage, track, timely resolve, and report all inquiries and complaints from homeowners. This policy contemplates development of a team with the skills necessary to perform inspections, meet with homeowners and contractors, investigate matters, and mediate disagreements between homeowners and contractors. The Partner must proactively work to resolve inquiries and complaints in a reasonable and timely manner and in accordance with the Program guidelines and must make communication for homeowners available during regular business hours by phone, email and facsimile communication.
- 5.5 Real Estate Transactions** It is the policy of the Program that Partners develop

capabilities to assist homeowners, and their associated real estate professionals, who are refinancing or selling their Properties.

6 DATA SECURITY

Policy Summary *Trust is fundamental to any financing relationship, and Program financing is no exception. The public/private partnership at the center of the Program, as well as the confidential relationship homeowners have with the Program Partner, mandate that any market-ready Program be in robust compliance with sturdy cyber-security standards, and develop secure and tested processes that protect homeowners' personal identifiable information at points of potential vulnerability, especially during the application process.*

6.1 Information systems It is the policy of the Program that Partners develop and comply with secure and tested processes to protect the personal identifiable information of the homeowner described in Section 7 below. Such secure and tested processes should, at a minimum, comply with existing state and federal data security laws and good faith protocols.

6.2 Personnel

- 6.2.1** Partners are responsible for informing and enforcing the compliance with the Program's data privacy and security policies on the part of every employee, contractor, vendor, agent, service provider, representative, and associate who is exposed to personal identifiable information of homeowners.
- 6.2.2** Partners are responsible for implementing protections and controls to prevent unauthorized copying, disclosure, or other misuse of sensitive consumer information.

7 PRIVACY

Policy Summary: *The trusting and confidential relationship that exists between homeowners and the Program extends to the Partners' use of homeowner data. Compliance with the Graham Leach Bliley Act as well as the establishment of clear opt-in and opt-out protocols for information sharing are the pillars of the Program's privacy policy. More broadly, the Program must protect and manage sensitive consumer information; must respect the privacy of all homeowners; and must implement robust controls to prevent unauthorized collection, use and disclosure of such information. These protections are subject to the limitation that property owner names, special tax or assessment amount, payment amount and other terms of the PACE financing are all public information consistent with property tax law.*

The following summarizes the Program's privacy policy:

7.1 Privacy policy The Program obtains sensitive consumer information from homeowners as part of the application process for Program participation or through other homeowner touch points with the Program. It is the policy of the Program that Partners develop and deliver to homeowners who apply for the Program or who otherwise provide personal identifiable information a privacy policy that complies with state and federal law (e.g., the Graham Leach Bliley Act) and, in particular, prohibits sharing with third parties personal identifying information of homeowners without the homeowners' express authorization, except where expressly permitted by state and federal law. Such privacy policy will cover (i) the sources from which sensitive consumer information is obtained, (ii) the Partner's use of sensitive consumer information, and (iii) a mechanism by which a consumer may opt-out of sharing information. Partners will deliver to homeowners any updates to such privacy policies.

7.2 Application process It is the policy of the Program that all personal identifying information provided by a homeowner to a Partner during the application process is provided directly by the homeowner to the Partner. Partners will establish processes and controls to ensure that personal identifiable information of a homeowner is obtained directly from such homeowner (or his verifiable legal representative or attorney in fact) and not from a contractor or other third party.

8 MARKETING & COMMUNICATIONS

Policy Summary: *Clear, informative, truthful, balanced, transparent and complete communications are essential for the Program. The stakeholders of any Program include (without limitation) homeowners, contractors, the Authority, government officials and staff, investors, finance partners, real estate professionals and lenders. Communications, acts and practices that mislead stakeholders add ineligible expense to PACE financing or to the Program, abuse stakeholders, and otherwise fail to meet the core communication standards of appropriateness for the Program and are not acceptable.*

- 8.1 Prohibited Practices** It is the policy of the Program to prohibit practices that are or could appear to be unfair, deceptive, abusive, and/or misleading, that violate laws or regulations, that provide tax advice, that are inappropriate, incomplete or are inconsistent with the Program’s purpose. Marketing practices that unlawfully use sensitive consumer data, or that violate any other law or regulation (including, for example, practices related to telemarketing) are prohibited.
- 8.2 Permitted Practices** It is the policy of the Program to adhere to all legal and regulatory requirements (e.g., those governing telemarketing) pertaining to its advertising and marketing efforts. On the basis of providing clear and concise communication to consumers, any practice that promotes informed decision-making on the part of homeowners and is not prohibited as described in section 8.1 above is permitted. Partners are responsible for developing, delivering to and enforcing marketing guidelines for the Program’s Certified Contractors.
- 8.3 Tax Advice** It is the policy of the Program that no Partner, contractor or third party other than a tax expert may provide tax advice to consumers regarding their Program financing, including making affirmative statements or claims as to the tax deductibility of any portion of the payments. However, it is acceptable to state that “PACE financing may have certain tax benefits. Consult your tax advisor to find out what, if any, may apply to your individual circumstances.” Homeowners are encouraged to seek the advice of an expert regarding tax matters related to the Program.
- 8.4 Payments in Exchange for Financing** It is the policy of the Program that no Partner may provide direct cash payment to a contractor or Affiliated Individual explicitly in

exchange for such contractor or Affiliated Individual's offering Program financing to a homeowner.

It is the policy of the Program that no Partner, contractor or Affiliated Individual may provide a direct cash payment or other thing of value to a homeowner explicitly in exchange for such homeowner's selecting Program financing. For avoidance of doubt, the limitations provided in this Section 8.4 are not intended to prevent the Program from offering to homeowners, contractors or Affiliated Individuals promotions that are not explicitly part of the exchange referred to in the preceding sentence.

9 PROTECTED CLASSES

Policy Summary: *It is the Partner's responsibility to ensure compliance with all state and federal laws that cover individuals in protected classes (e.g., race, religion, color, marital status, sex, national origin, citizenship, presence of children, disability, gender, age and/or sexual preference, because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act.) Heightened protections for homeowners over 64 years old, such as confirming understanding of financing terms and project specifications, is a focus of the Program. The Partner is responsible for protecting against intended and unintended non-compliance with such standards, and in particular for providing legally unbiased access to, and decisioning of, requests for Program financing.*

- 9.1 General** It is the policy of the Program that controls be designed to monitor and test compliance with all state and federal laws covering homeowners in protected classes.
- 9.2 Elders** It is the responsibility of the Partner to develop and implement a program that validates elder homeowners' (i.e., homeowners over 64 years of age) understanding of the eligible improvement project for which they are seeking Program financing, including the terms of such financing.
- 9.3 Financing Access and Decisioning** It is the responsibility of the Partner to provide legally unbiased access to, and decisioning of, requests for Program participation.

10 CONTRACTOR REQUIREMENTS

Policy Summary: *Contractors and their sales persons are one of the primary means through which homeowners become aware of Program participation options. Contractors and their sales persons enter into contracts with Partners, and register with all relevant state and local licensing boards and agencies. Contractors are required to follow a code of conduct, maintain policies of insurance, post bonds, follow marketing requirements, complete training courses, among other similar obligations, all of which are designed to assure positive and productive homeowner interaction with the Program.*

10.1 Policies It is the policy of the Program that all contractors who sell, install, or manage subcontractors who install, eligible improvements will have executed and that all such contractors and all employees, entities, owners, partners, principals, independent contractors, third-party agents or other person who perform any services for the contractor in connection with a Program financing (collectively, the “Affiliated Individuals”) meet the requirements of the Program’s Contractor Participation Agreement, which include:

- 10.1.1** Compliance with the Registered Contractor code of conduct;
- 10.1.2** Maintenance of an active license, and be in good standing, with the California Contractor State License Board (“CSLB”), including compliance with the CSLB (or equivalent agency or program) insurance and bonding requirements;
- 10.1.3** Execution of the Program’s Contractor Participation Agreement only by a person who is authorized to act on behalf of, and who is responsible for the actions of, a Registered Contractor (a “Qualifying Individual”);
- 10.1.4** Oversight and management of employees, independent contractors and subcontractors who provide services to Registered Contractors accessing the Program;
- 10.1.5** Meeting all other state and local licensing, training and permitting requirements;
- 10.1.6** Compliance with the Program’s marketing policies; and
- 10.1.7** Ensuring all Affiliated Individuals register with the Program, including completing the Program’s identity verification procedures.

10.2 Contractor Management It is the policy of the Program that Partners implement contractor management processes and procedures that manage and track contractor training and compliance violations on an individual and company basis.

10.3 Contractor Training It is the policy of the Program that each Partner make available contractor training regarding, at a minimum, the following: (i) the applicable contractor

code of conduct as required by the Program, (ii) protected classes, including, without limitation, elder protection, and (iii) other consumer protection measures as required by the Program.

10.4 Remedial Action Partners may warn, suspend or terminate a Certified Contractor and/or Affiliated Individual from the Program based on violations of the Contractor Participation Agreement. The Program does not knowingly accept Program applications processed by suspended or terminated contractors and/or associated representatives.

11 ELIGIBLE PRODUCTS

Policy Summary: *The Program enables and encourages homeowners to install Measures on their homes that are permissible under the applicable PACE statutes, and designed but not guaranteed to save water or energy. The Program is responsible for implementing practices and controls (e.g., eligible product databases and product confirmation processes) to ensure that financing is provided only for eligible Measures. Program product eligibility criteria ensure that property owners are financing improvements that are industry recognized for achieving higher levels of home energy or water efficiency. While the Program is responsible for confirming compliance with the initial capacities of such products, it is not responsible for determining post-installation energy performance, savings or efficacy of such Measures.*

11.1 Policies Consistent with the objectives of the PACE-enabling legislation, it is the policy of the Program, through consultation with the Partner and the Authority to:

- 11.1.1. Establish and maintain an eligible products database and/or list, documenting the associated eligibility specifications;
- 11.1.2. Define processes for adding or modifying the eligible product database;
- 11.1.3. Use credible third-party sources to determine the useful life of the product, which will be used to set the maximum term for the Program's financing; and
- 11.1.4. Require that the product is permanently affixed to the Property.

11.2. Procedures It is the policy of the Program that Partners establish procedures confirming that the homeowner applying for Program financing intends to install eligible products, and that at the time of funding such improvements have been installed.

11.3. Ineligible Products

- 11.3.1. Financing of ineligible products under the Program is prohibited.
- 11.3.2. Products that are not included on the eligible products list or in the eligible products database can be submitted for review by the Program, if a homeowner has a good faith reason to believe they should have been included.

12 FINANCING AMOUNT

Policy Summary: *Many homeowners often cannot readily access price information regarding the installation of energy efficiency, renewable energy and water conservation improvements for their homes, and cost often is a key economic consideration. While the Program does not set price controls, it reviews each project on a case-by-case basis to affirm that the pricing for each Measure conforms to generally accepted market pricing ranges.*

The Program's policies provide as follows:

- 12.1** It is the policy of the Program to review pricing based on market data and the sponsoring Partner's experience, but not to set pricing for installation of eligible products and projects. Partners are presumed to take into account regional factors and special installation characteristics or scenarios that may contribute to the pricing of improvements.
- 12.2** It is the policy of the Program that Partners will review various product types (e.g. for central air conditioners, solar PV systems, solar thermal systems and artificial turf) to ensure pricing falls in a generally acceptable range. For example, there may be different types of central air conditioners, solar PV systems, solar thermal systems and artificial turf.
- 12.3** It is the policy of the Program that each Partner will establish processes for purposes of reviewing contractors' estimated project costs and determine that proposed project measures meet acceptable guidelines for energy efficiency, renewable energy, water conservation, or seismic or hurricane protection.
- 12.4** A product may only be funded for an amount that is justified by reasonable standards that are acceptable to the Authority.

13 REPORTING

Policy Summary: *Reporting the economic and environmental results of Program participation is essential for the Program, Partners, elected officials, environmental agencies, the investment community, the real estate and mortgage industry and many other stakeholders. Metrics such as economic stimulus dollars invested, greenhouse gas reduction, the number of Measures funded, the amounts funded, renewable energy production and energy savings serve this need. The Partner is responsible for producing, on a quarterly basis, a key metrics report.*

13.1 Reporting Categories It is the policy of the Program that Program statistics reporting and estimated impact metrics in the following categories be developed and reported quarterly to the Authority: (i) number of projects funded, (ii) project amount funded, (iii) estimated amount of energy savings, (iv) estimated amount of renewable energy production, (v) estimated amount of water savings, (vi) estimated amount of greenhouse gas reductions, and (vii) estimated economic stimulus of dollars invested.

13.2 Reporting Standards It is the policy of the Program that all data collected for the quarterly metrics reports are developed and collected using standardized, third party-verified methodologies. Partners must make the methodologies and supporting assumptions and/or sources available to the Authority. It is the responsibility of each Partner to develop reports consistent with each of the categories listed above, and to test and verify the data collection and reporting methods and models used. All reports shall include only aggregate data without the inclusion of any sensitive customer information.

14 PROJECT COMPLETION & DISBURSEMENT OF FUNDS

Policy Summary: *The Program provides limited purpose financing to homeowners, and not general purpose financing that is common among traditional sources of financing. The Program has front-end (e.g., eligible product call-in requirements) and pre-funding (e.g., completion certificates and permits) procedures designed to confirm that its financing dollars are used for permissible purposes. A policy requiring such procedures is essential to protecting the integrity of the Program.*

- 14.1 Installation Completion Signoff** It is the policy of the Program to confirm, before final funding, that the eligible products financed are installed, operational and in a condition that is acceptable to the homeowner and the contractor, and to require that the homeowner and the contractor attest to such by signing a document stating that all products have been installed to the homeowner's satisfaction and in accordance with product specifications. It is the Partner's responsibility to confirm any such document is signed within the maximum allowable installation time as specified by the Program.
- 14.2 Permits** It is the policy of the Program that homeowners seeking Program financing obtain required permits for the installation of Measures and provide verification thereof upon request. Each permit must be signed off by the issuing authority as proof of project completion.
- 14.3 Funding** It is the policy of the Program to disburse funds only for specified phased payments, progress payments or for projects that are complete.
- 14.4 Recording** It is the policy of the Program to record the Notice of Assessment and Payment of Contractual Assessment Required documentation in a manner consistent with state law.
- 14.5 Asset Verification** It is the policy of the Program to confirm that product(s) listed on the Completion Certificate and for which Program financing has been provided have been installed by providing proof of completion by city inspector or other third-party inspector.