

## PACE Programs Comparison Matrix

*Provider Name:* **Energy Efficient Equity**

*Background:* Energy Efficient Equity (E3) is the administrator for the California Municipal Finance Authority (CMFA) PACE Program.

Policy	Data
Legislative Origin / Authorization	AB 811
Financing Organization	E3 Capital Inc. (Funded by private investors)
Program Administrator	Energy Efficient Equity Inc. ("E3")
Government Entity / Joint Power Authority (JPA)	California Municipal Finance Authority
Governance Structure (e.g. who makes up the board)	<a href="http://www.cmfa-ca.com/meet-our-board">http://www.cmfa-ca.com/meet-our-board</a>
Participating Jurisdiction(s)	See map attached (Exhibit 1).
Number of years of experience administering PACE Financing program	Management - 5 years E3 was incorporated in June 2014.
Location of Corporate Office and local presence in the jurisdiction being served	The Corporate Office is located in Los Angeles with local teams assisting participating jurisdictions.
Residential (Yes/No)	Yes
Commercial (Yes/No)	Yes
Number of Customers Served to date? Residential and	0

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Commercial/ Projects Financed	
Lien	Yes
Interest Rate(s)	2.95-7.98%
Term/ Loan Term	5-30 Years
Lender/ Mortgage Notification or Consent	Lender notification required for Commercial transactions only.
Disclosure	Truth-in-PACE™ Disclosure statements (Exhibit 2)
Pre-Lien Loan to Value	90%
Post-Lien Loan to Value	Subject to FHFA limits. Currently 97%
Total Aggregate Property Taxes/ Assessments	Please Clarify
Capitalized Interest	Yes
Credit History/ Credit Check	Yes, No FICO requirement.
Bankruptcy History	3 years
Financing Min/Max Amounts	<p>The minimum financing for both residential and commercial PACE financing is \$ 5,000.</p> <p>The maximum assessment amount is subject to the following limitations:          -Assessment amount plus all debt secured by the property may not exceed the FHFA limits</p>

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	-Assessment amount may not exceed 20% of the Property Value -Annual Assessment payment may not exceed 5% of Property Value
Application Fee	None (Commercial and Residential)
Recording/Title Fee	Varies by County.
Participates in PACE Loss Res. Program (CA State)	No. Delinquencies are advanced by E3.
Reserve Deposit	0.27%
Legal Validation	Judgment issued June 02 2015 Superior Court of California, County of San Diego CASE NO. 37-2015-00002615-CU-MC-NC
Dispute Resolution	Arbitration Rights
Consumer Protection	Buyback Guarantee. E3 is committed to providing a quality program and will payoff any fraudulently originated assessment at no cost to the Property Owner.
Property Owner Fees/Costs	None
Annual Admin Fee	\$95 max
Program Admin/Underwriting	0%-6.95%

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Prepayment Penalty	None
Average Time from Application to Payment	Varies based on project and permitting requirements
Contractor screening and Qualifications process	<p>Contractor meet the following minimum criteria for participation in the program:</p> <ul style="list-style-type: none"> <li>• Have a valid license with the California State Licensing Board</li> <li>• Submit to a background check</li> <li>• Maintain an auditable database of customer transactions</li> <li>• Be in business for at least 2 years</li> <li>• Meet financial requirements</li> <li>• Maintain adequate Bonds</li> <li>• Provide proof of insurance</li> <li>• Sign and adhere to E3's code of ethics</li> </ul>
Fees to Contractor	None
How long is the training to become a participating contractor?	Minimum of 1 day. Ongoing training is provided by E3 market team.
Do you share loan fees with jurisdictions?	Yes. CMFA gives back 50% of all issuance fees. 25% to each jurisdiction's general fund, and 25% to local charities. To date CMFA has contributed over \$7,000,000 as part of this give back program.
Provide reports to participating jurisdiction – w	Yes. All program data related to each participating jurisdiction is provided in real time via our dashboard on <a href="http://energyefficientequity.com">energyefficientequity.com</a> . Credentials will be provided to users with official email addresses. Each participating jurisdiction can expect information on energy produced, water gallons saved, and tons of CO2 emissions reduced. These users will also have access to all the financial information for the projects performed within its boundaries: number of projects, project type, amount financed, and project location.
Termination Process for Govt.	Pass resolution opting out with 30 days' notice, does not impact completed or in process applications.

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Language around indemnification of the joining jurisdiction?	Yes, if desired.
Includes solar electric?	Yes
Includes solar hot water?	Yes
Includes water efficiency?	Yes
Includes landscaping?	Yes
Includes EV charging?	Yes
Energy Audit Provided	Yes on commercial projects. If desired on residential projects.
Website	<b><a href="http://www.energyefficientequity.com">www.energyefficientequity.com</a></b>

# Energy Efficient Equity

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Smart financing for a sustainable future



Join the Program!

Contact us

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Implementing the CMFA PACE Program will provide properties owners in your community a simple and effective way to finance energy and water saving improvements. It's easy to opt-in, self-sufficient and participation is 100% voluntary. Join the movement and discover how the California Municipal Finance Authorities PACE program can benefit you.

## Save Energy, Water and Money

## Create Local Jobs

## Help the Environment

### Background

#### PACE

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, Seismic and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

#### PACE & California

California has widely adopted an open PACE model which allows multiple programs to successfully operate in the same jurisdictions, fostering innovation and creating healthy competition. As a result California is the nation's leader in PACE financing and energy savings with:

- Multiple Active Programs
- 40,000 + Completed Projects
- \$750 + Million in Financings
- 7,500 + Jobs Created
- Tons of CO2 Emissions Abated
- Millions of gallons of water saved

#### The CMFA

The California Municipal Finance Authority ("CMFA") is a Joint Powers Authority created to strengthen local communities by assisting with the financing of economic development and charitable activities throughout the State of California. With the goal of giving back to California communities, the CMFA assists local governments, non-profits and businesses with the issuance of taxable and tax-exempt financing aimed at improving the quality of life in California. To date, over 200 municipalities have become members of CMFA.

#### CMFA, PACE & E3

On April 6<sup>th</sup>, 2015 CMFA completed a statewide validation action authorizing the CMFA to offer PACE to its members. The CMFA has partnered with Energy Efficient Equity ("E3") to administer the program throughout California. Municipalities that wish to participate and offer PACE financing in their community can now do so by simply passing an opt-in resolution.

## Good for Property Owners

100% Financing	In today's economic environment, financing options are scarce. The program offers competitive financing, for 100% of the project costs, with \$0 out of pocket.
Immediate Savings	Improving the way a property uses energy and water, reduces consumption and provides an immediate cost savings.
100% Voluntary	Program participation is completely up to the property owner.
Customer Protections	The CMFA consumer protection policy provides peace of mind, and is the only PACE program with a repurchase agreement to ensure that property owners are protected from financial loss due to fraud.

## Good for the Community

Creates Local Jobs	The Program uses Local registered contractors for all improvements, causing an increase in sustainable full time employment.
Increases Property Values	Energy Efficient properties are in demand and sell for up to 22% more than comparable properties.
Revitalizes Communities	Reduced CO <sup>2</sup> emissions + Water Savings + New Jobs + Increased Property Values = A happy community.

## Public Private Partnership

Privately Funded	The program is 100% funded with private capital. Demand for PACE bonds is strong and competition is driving rates down for consumers.
Fiscal Impacts	The Program is 100% self-sufficient with no negative fiscal impact or obligation to the city.
Give Back Program	50% of all CMFA issuance fees are contributed back to your community. 25% to the municipality's general fund and 25% to local charities.

To offer the nations premier PACE program in your community, contact us today.