



THE ILLINOIS
ENERGY
CONSERVATION
AUTHORITY NFP

The County of Lake Program Report

Lake County
— I L L I N O I S —

The County of Lake Program Report

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Program REPORT for Lake County

The County of Lake, Illinois (the “County”) is establishing a property assessed clean energy (“PACE”) program that will be named “Lake County C-PACE Program” (the “PACE Program”) in which certain commercial property owners (“Record Owners”) can improve their properties by completing Energy Projects, as defined in the Property Assessed Clean Energy Act, 50 ILCS 50/1 et. Seq. (the “PACE Act”). As a result of the PACE Program, Record Owners can receive funding for their respective Energy Projects from qualified Capital Providers (as defined in the PACE Act). In accordance with the PACE Act, the governing body of the County must adopt a resolution or ordinance that meets the requirements of Section 15 of the PACE Act in order to establish the PACE Program, and the resolution or ordinance must contain a reference to the Report described in Section 20 of the PACE Act that details the items required to create and structure the PACE Program. Below are the criteria the Report will need to address to establish the PACE Program.

(1) A form of assessment contract between the Governmental Unit and Record Owner governing the terms and conditions of financing and assessment under the program; See Exhibit A

(2) Identification of one or more officials authorized to enter into an assessment contract on behalf of the Governmental Unit;

The Lake County will oversee the PACE Program but will delegate daily program administration and initial program set-up of the PACE Program. Through a procurement process, the County has selected The Illinois Energy Conservation Authority NFP (“IECA”) to be its program administrator (the “Program Administrator”) for the PACE Program. The County Administrator will form an Oversight Committee of individuals to be the point of contact with the IECA on matters related to the PACE Program and to give authorizations as necessary for the continued operation of the PACE Program in accordance with program guidelines that the Oversight Committee approves (the “Program Guidelines”). Per the resolution or ordinance establishing the PACE Program, the Oversight Committee can issue required authorizations and amendments to the Program Guidelines on behalf of the County.

Program Administrator shall prepare and maintain Program Guidelines, which are the set of guidelines, procedures and descriptions required to implement the PACE Program and for program participants to follow in order to qualify a PACE Project for PACE Financing. The Oversight Committee shall review and approve the Program Guidelines.

The Oversight Committee will delegate all Program Administrator duties and tasks to the IECA. The Oversight Committee will be 1) updated with reports from the Program Administrator as often as requested; 2) approve changes to the Program Guidelines and Program Report 3) be the liaison for the IECA to interact with the County as part of the administration of the PACE Program, and 4) bring forward any fee change recommendations (changes to section 6) to the full County Board for adoption in the Program Guidelines.

The Oversight Committee will delegate to the IECA the Program Administrator duties which include:

- Develop the Program Guidelines
- Approve, document, and execute PACE transactions
- Close PACE transactions
- Operate Website for access to the PACE Program
- Be available to help with issues among Capital Providers, Record Owners, and contractors
- Screen and approve Capital Providers and Registered Contractors
- Reconcile accounts associated with the accounting of the PACE Program and payments

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(4) An application process and eligibility requirements for financing or refinancing energy projects under the PACE Program;

Eligibility Requirements

Eligible Properties

Pursuant to state law, PACE Financing is currently available to Record Owners of any privately-owned commercial, industrial, non-residential agriculture, or multi-family (of 5 or more units) real properties or any property owned by a not-for-profit located within the County, but does not include any real property owned by the County or any other Governmental unit (collectively, “Property”). Examples of qualifying Properties include any office, retail, warehouse, and hospitality located within the PACE Area, as well as not-for-profit community centers and hospitals.

Buildings with multiple Parcel ID/tax keys, such as condominiums, require additional documentation and underwriting protocol. The Assessment Contract will identify each lot, block, tract, and parcel of land against which the PACE Financing will be assessed. The PACE Financing must be tied to a Parcel ID/tax key with sufficient property value to underwrite and justify the Energy Project.

Eligible Energy Projects

The IECA supports the acquisition, construction, installation, or modification of Alternative Energy Improvements, Energy Efficiency Improvements, Renewable Energy Improvements, Resiliency Improvements, and Water Use Improvements (each as defined in the PACE Act and collectively referred to herein as “Energy Projects” affixed to Property located within the PACE Area. An eligible Energy Project must meet the following criteria:

- An assessment of the Energy Project will be required to confirm the proposed Energy Project achieves the standards and requirements set forth in the PACE Act and the Program Guidelines.

- The Energy Projects that include Energy Efficiency Improvements, Renewable Energy Improvements or Water Use Improvement, unless the Water Use Improvement is undertaken to improve water quality, will require an assessment of the energy & water usage baseline and modeling of the monetary savings expected to accrue following installation of these Energy Projects.
- All fixtures, products, systems, equipment, devices, supplies, and materials included in the Energy Project must be affixed to the real property, and the Record Owner must leave the improvements affixed or attached to the property during the term of the Assessment Contract
- New construction Energy Projects are also eligible, subject to certain project verification requirements
- Examples of eligible Energy Projects include but are not limited to the list below:
 - insulation in walls, roofs, floors, foundations
 - heating and cooling distribution systems
 - energy efficient windows and doors, multi-glazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, and additional glazing, reductions in glass area, and other window and door systems that reduce energy consumption
 - automated energy or water control systems
 - high efficiency heating, ventilating, or air-conditioning and distribution systems
 - caulking, weather-stripping, and air sealing
 - lighting fixtures
 - energy controls or recovery systems
 - day lighting systems
 - any other fixture, product, system, equipment, device, or material intended as a utility or other cost-savings measure
 - voltage and optimization measures that optimize the voltage at points on the electric distribution voltage system and thereby reduce electricity consumption by electric customers' end use devices
 - Equipment that generates energy from cellulosic conversion
 - Equipment that generates energy from alternative feedstocks
 - battery or electrochemical storage technology for mobile or stationary storage of renewable energy
 - Wind turbines
 - Solar thermal energy system
 - Geothermal energy systems
 - Photovoltaic cells and panels
 - Biodiesel production equipment
 - Equipment that generates electricity from anaerobic digestion of crops and untreated and unadulterated organic waste biomass

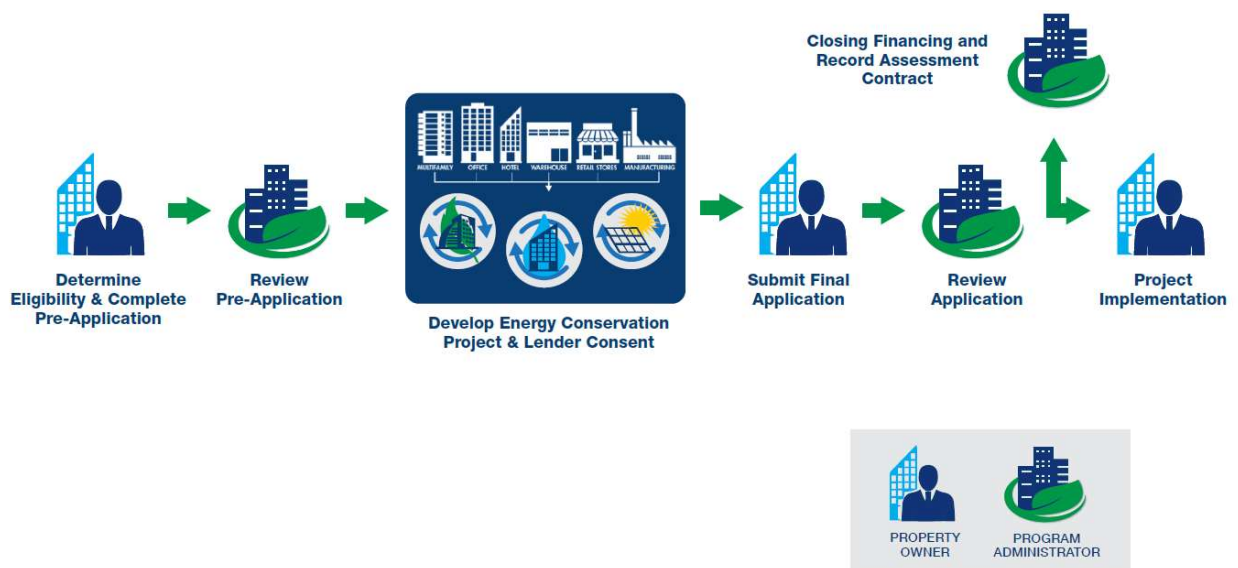
- hydropower that does not involve new construction or significant expansion of hydropower dams
- Stormwater mitigation infrastructure
- Backup power generation equipment
- Storm/wind hardening measures

Energy Project Assessment Requirements

All Energy Projects are required to prepare an assessment of the characteristics and anticipated performance of the proposed Energy Project to confirm the proposed Energy Projects is eligible for PACE Financing through the PACE Program. Energy assessments containing a modeling of the monetary savings will be conducted by a qualified engineer or contractor for Energy Projects that include Energy Efficiency Improvements, Renewable Energy Improvements or Water Use Improvement, unless the Water Use Improvement is undertaken to improve water quality, in accordance to requirements set forth in the Program Guidelines. Energy Projects that include a Resiliency Improvement, an Alternative Energy Improvement and/or a Water Use Improvement to improve water quality shall obtain an assessment of characteristics and validation of the proposed Energy Project prepared by a qualified professional or contractor, in accordance with the Program Guidelines.

PACE Financing Application Process

The Program Administrator will oversee the PACE Financing application process to ensure that PACE Financings comply with eligibility requirements as defined in the PACE Act, enabling resolution or ordinance adopted by the governing body, and Program Guidelines.



1. Pre-Application. Applicant will use the IECA online portal to obtain an initial determination of eligibility for the property to be improved and if the Applicant meets the qualifications for the PACE Program. Once Applicant has qualified, it shall be referred to as the “Record Owner”. The Pre-Application will determine whether the Property is located within a PACE Area and is an Eligible Property. Program Administrator will notify Applicant whether the Property and Applicant satisfy the pre-application eligibility requirements. Program Administrator will also notify Record Owner of all PACE Program eligibility requirements that need to be confirmed during the remainder of the application process.
2. Project Development:
 - a. Energy Project assessment - Applicant will select a qualified and approved professional, as defined in the Program Guidelines, who will evaluate the proposed Energy Project and prepare a qualified assessment;
 - b. Project Definition – Applicant will select one or more Contractors and will work with the Energy Project assessment provider and Contractor to select the scope of work that will be included in the Energy Project;
 - c. Capital Provider Selection – Applicant will either choose or request financing quotes from one or more Capital Providers and will select a Capital Provider; and
 - d. Applicant and the selected Capital Provider, and if requested the Program Administrator, will contact all lenders with existing mortgage liens against the Property to request acknowledgment of the Mortgage Lender Consent requirement for PACE Financing.
3. Final Application – Applicant will complete and submit a final application on the IECA online portal by uploading all documents, including those listed below, that are required to support the Final Application. Certain documents may not be available when submitting the Final Application and the Program Administrator may establish satisfactory submission of these documents as conditions to be satisfied prior to closing of the financing.:
 - a. Signed installation contracts for all components of the Energy Project;
 - b. Energy Project assessment by the approved provider who completed the assessment;
 - c. Most recent mortgage loan statement for all outstanding mortgages against the Property;
 - d. Executed Mortgage Lender Consent forms for all lenders of record;
 - e. Current Assessor property tax value or a property appraisal by a licensed appraiser, prepared in accordance with the PACE Act and Program Guidelines. As-complete property appraisal values can be used for new construction properties or properties undergoing significant renovation. ;
 - f. Title Report issued not more than 30 days prior to the closing date;
 - g. Substantially final Assessment Contract; and
 - h. Documentation of sources and uses for PACE Financing and the Energy Project.
4. Financing Approval - Program Administrator will review the Final Application and all supporting documents. The Program Administrator will confirm:
 - a. The Final Application is complete and has been properly executed;

- b. All required supporting documents have been submitted;
 - c. Property is located in a PACE Area and is an eligible Property;
 - d. Record Owner is the titleholder or owner of the beneficial interest in the Property that qualifies for PACE Financing;
 - e. The amount of the PACE Financing is not more than 25 percent of the 1) value of the property as determined by the office of the County Assessor or 2) the value of the property as determined by an appraisal conducted by a licensed appraiser and in accordance with the PACE Act and Program Guidelines,;
 - f. Executed Mortgage Lender Consent forms have been received for all mortgages of record;
 - g. Minimum PACE assessment is initially set at \$50,000 (subject to change). Lower amount on a case by case basis.
 - h. The repayment term of the PACE Financing is not more than the expected useful life of the Project, and if more than one component, then the expected useful life of the component of the Energy Project with the longest expected useful life;
 - i. All submitted Energy Project assessments were completed by an approved professional who holds the applicable professional credentials, as defined in the Program Guidelines.
 - j. All requested uses of funds for the PACE Financing are approved uses of PACE Financing funds;
 - k. There are no delinquent taxes, special assessments, or water or sewer charges on the Property;
 - l. There are no delinquent assessments on the Property under a PACE Program
 - m. The Record Owner has disclosed any and all involuntary liens on the Property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the Record Owner, environmental proceedings, or eminent domain proceedings;
 - n. There are no notices of default or other evidence of property-based debt delinquency have been recorded against the Property and not cured;
 - o. Record Owner has represented that it is current on all mortgage debt on the Property; and
 - p. Record Owner has represented it (and its owner(s), if applicable) has not filed for bankruptcy in the last 2 years, and the Property is not an asset to a current bankruptcy proceeding.
5. If the Final Application and supporting documents are complete and satisfy all PACE Program requirements, Program Administrator will notify Applicant of Financing Approval. If the Final Application and/or supporting documents are incomplete or demonstrate that the Energy Project and/or Applicant do not meet PACE Program requirements, Program Administrator will promptly notify Applicant of the deficiency and provide Applicant with an opportunity to cure any deficiencies.

6. Close Financing – Upon receipt of notification of Financing Approval from the Program Administrator, Record Owner and Capital Provider will close the financing and execute the Assessment Contract with the Assessment Contract subsequently recorded with the County. At the time of closing, Capital Provider will fund the full financed amount under the Assessment Contract through purchase of the related bond or as consideration for an assignment of the related Assessment Contract, as applicable. If the Energy Project is not complete at the time of funding, the PACE Financing will fund into an escrow arrangement agreed between Record Owner, Capital Provider and an escrowee.
7. Energy Project Implementation –Record Owner notifies Contractor that construction on the Energy Project may begin. Record Owner and Capital Provider will submit to Program Administrator for approval a request to draw PACE Financing proceeds for the Project. Upon approval by the Program Administrator to verify that the request is for pre-approved PACE eligible expenses for the Energy Project, the Record Owner and Capital Provider may proceed to release financing draw funds to Contractor per the terms of the draw schedule agreed to by Record Owner and the Capital Provider. Requests for draws must be accompanied by documentation satisfactory to the Program Administrator and if applicable, completion certificates signed by Contractor and Record Owner. Any change orders during the course of a project may require additional review by the Program Administrator and will be addressed in accordance with requirements in Program Guidelines.
8. Completion – Final payment of the PACE Financing funds cannot be released until the Record Owner and contractor sign a final Completion Certificate and submit it to the Program Administrator on behalf of the Governmental Unit. The Completion Certificate will acknowledge that all contracted work has been completed per the contract. The Completion Certificate will further acknowledge that the Energy Project was properly acquired, constructed, installed, or modified, and is operating as intended. The Completion Certificate will further acknowledge that the County has complied with all requirements of Section 25 of the PACE Act.

(5) A method for determining interest rates on amounts financed or refinanced under assessment contracts, repayment periods, and the maximum amount of an assessment, if any;

The IECA will operate an “Open Market” PACE Program whereby Record Owners have the flexibility to select their preferred Capital Provider for an Energy Project on their eligible Property. The open market model gives Record Owners access to a range of Capital Providers who offer competitive rates and financing terms and conditions. Public funds are not anticipated to be made available for funding Energy Projects, though the County is not prohibited from participating as a Capital Provider. No exclusivity will be provided to Capital Providers, and the Applicants will retain the right to choose the type and provider of financing that works best for their business needs.

Any financing source interested in offering PACE Financing must qualify as a Capital Provider to participate in the PACE Program. The process for becoming a qualified Capital Provider is as follows:

1. The interested Capital Providers must register with the PACE Program and meet the requirements set forth in the Program Guidelines.
2. Upon approval by the Program Administrator and execution of a PACE Capital Provider Agreement, the Capital Provider will be considered a “PACE Capital Provider.” PACE Capital Providers will be listed on the PACE Program’s website. PACE Capital Providers will receive information from the Program Administrator regarding financing opportunities as well as pertinent developments related to the PACE Program.
3. Applicants may also pre-select their preferred lenders prior to the lender registering with the PACE Program. Prior to the closing of the applicable PACE Financing, however, the lender must become a PACE Capital Provider as outlined above.

The information provided by Capital Providers will be used to link Capital Providers, project developers, energy service companies, installers and contractors, energy auditors, engineering firms, utility companies, Record Owners, and others to develop and fund qualified Energy Projects.

The County reserves the right to rescind the “Capital Provider” status of any lender or Capital Provider according to the terms of the Capital Provider Agreement.

(6) An explanation of how assessments will be made and collected;

The attached Assessment Contract will be the contract between the Record Owner and the County in order to place the PACE assessment on the property. When the PACE transaction closes, the Assessment Contract will be recorded at the County Recorder’s office. The date the PACE assessment will be added to the tax roll will depend on when in the calendar year the PACE transaction closes and the tax season schedules for the County Treasurer’s office. PACE payments will be added to the real estate tax bill for the Property as a special assessment with its own separate line item. Payments will be due when general real estate taxes are due which are approximately June 1 and September 1 of the calendar year. The bi-annual PACE assessment payments will be equal payments and will be collected by the County Treasurer’s office subject to the same processes and remedies as general real estate taxes. The Program Administrator, in conjunction with the County Treasurer’s office, will reconcile the PACE assessment payment and send the payment to the PACE Capital Provider through the Program Administrator or a Trustee/Paying Agent approximately 30 days from when the County Treasurer’s office receives the payment. Any late fees and default interest, as calculated pursuant to state law, on the PACE assessment portion (not including the ad valorem) will be shared on an 80% Governmental Unit and 20% Capital Provider split, subject to amendment by the Governmental Unit.

(7) A plan to finance the PACE Program pursuant to the issuance of PACE bonds under or in accordance with Section 35 of the PACE Act.

Public funds will not be used for the PACE Program unless authorized by the County. The PACE Program will operate as an open market PACE Program so it will be necessary for the PACE Program to

have qualified and experienced Capital Providers and a documentation mechanism to fund the PACE Program. The County has options as to the debt instrument and documentation mechanism as it relates to bonds, notes, and or assignments. The County has the option to allow the bonding through a PACE bond conduit or the County can bond itself.

(8) Information regarding all of the following, to the extent known, or procedures to determine the following in the future:

(A) Any revenue source or reserve fund or funds to be used as security for PACE bonds described in paragraph (7);

Revenue sources or reserve funds will not be used.

(B) Any application, administration, or other PACE Program fees to be charged to Record Owners participating in the PACE Program that will be used to finance all or a portion of costs incurred by the County as a result of the PACE Program;

The Record Owner will be charged an application fee, cost of issuance fees & closing costs associated with the closing of a PACE transaction, interest on the funds financed by the PACE Capital Provider, and servicing fees for the on-going monitoring and collection of the PACE Assessment. Details of these costs are in Exhibit B attached hereto and will be in the Program Guidelines.

Application Fee

- For the initial application review to check eligibility a nominal application fee will be charged to the Record Owner. The fee that is paid is non-refundable, but will be credited to the Program Fee required at the time of closing.

At Closing/Cost of Issuance

- County Fee – Based on a percentage of the overall PACE Financing amount or a set amount for participation in the PACE Program
- Program Administration Fee – Based on a percentage of the overall PACE Financing amount or a set amount for work associated with the administration of the PACE Program
- Closing Costs - Can include title reports, credit checks, owner's legal, Trustee fees, recording charges, and third-party reports such as the Energy Project assessments, appraisal reports, and environmental reports. Some fees may not apply depending on transaction scope and owner's availability to provide certain due diligence reports
- Closing Cost Bond Counsel – Based on a percentage of the overall PACE Financing amount or a set amount for the closing and issuance of the bond

Elective/Discretionary

- Capital Provider Fee - If applicable, an origination fee charged Record Owner from Capital Provider
- Closing Cost Bond Issuer – If applicable, a fee charged by a bond issuer such as the Illinois Finance Authority for the closing and issuance of the bond
- Debt Service Reserve – If applicable, a reserve required by Capital Provider
- Escrow Fees for the funding of the improvements, if necessary

Servicing (on-going)

- County Treasurer – Based on a percentage of the overall PACE debt service payment or a set amount for the collection and processing of the PACE Assessment from the real estate tax bill
- Program Administration Maintenance Fee - Based on a percentage of the overall PACE debt service payment or a set amount for the collection and processing of the PACE Assessment from the real estate tax bill and for the reporting and payment reconciliation to the County/Trustee.

Capital Providers may be charged a fee to participate in the PACE Program.

(9) A requirement that the term of an assessment not exceed the useful life of the energy project financed or refinanced under an assessment contract; provided that an assessment contract financing or refinancing multiple energy projects with varying lengths of useful life may have a terms that is calculated in accordance with the principles established by the program report.;

The repayment term of a PACE Financing shall not exceed the expected life of the proposed Energy Project as described in the Energy assessment. For Energy Projects that include multiple improvements, the term of a PACE Financing may not be greater than the improvement with the longest expected useful life. The measure with the longest expected useful life must be a substantial portion of the Energy Project, subject to the Program Administrator's review and approval. In no case shall the term of an assessment contract exceed 40 years.

(10) A requirement for an appropriate ratio of the amount of the assessment to the greater of the value of the property as determined by the office of the county assessor or the value of the property as determined by an appraisal conducted by a licensed appraiser ;

- Pursuant to the PACE Act, the principal amount of the PACE Financing may not exceed 25 percent of the value of the Property

- Recommend that the PACE Financing plus the outstanding principal on all mortgage liens secured by the property shall not exceed 100% percent of the Property value, unless otherwise approved by the Program Administrator. For example, a commercial building with an assessed or appraised value of \$1,000,000 that requests a \$250,000 PACE Financing must have total outstanding mortgage loan balance(s) as of closing of the PACE Financing that are not greater than \$750,000. *Capital Providers may have additional limits based on their underwriting criteria*
- Pursuant to the PACE Act, property value will be determined by either the assessed value from the county assessor's office or alternatively Record Owners may supply an appraisal prepared by an independent licensed real estate appraisal firm. Record Owners of not-for-profit properties must provide an appraisal, as described above.

(11) A requirement that the Record Owner of Property subject to a mortgage obtain written consent from the mortgage holder before participating in the PACE Program;

Applicants must provide notice to all existing mortgage lenders of Applicant's intent to enter into a PACE Assessment Contract with the County, which will encumber the Property. Applicant's notice must state the maximum principal amount to be secured by the Assessment Contract, as well as the maximum annual amount to be repaid via the Assessment Contract (assuming there is no default).

Applicant must provide the written consent of the existing mortgage lender(s) of record on the Property prior to Final Application approval by the Program Administrator. The Mortgage Lender Consent must acknowledge the following:

1. The PACE assessment will be part of the general real estate tax bill and therefore the annual payment will have priority to the Mortgage Lender's existing lien.
2. The County, or its assignee, will have the same rights and remedies under the Property Tax Code which could ultimately lead to the foreclosure of the lien on the Property pursuant to tax law if the assessment is not paid. The County is not required to purchase outstanding delinquent PACE liens.
3. The maximum principal amount to be secured by the Assessment Contract.
4. The maximum annual amount to be repaid via the Assessment Contract (assuming there is no default).
5. The levy of the PACE Assessment will not trigger an event of default or the exercise of any remedies under the mortgage loan document or other security agreement held by the lienholder.

The purpose of the Mortgage Lender Consent is to:

- Provide notice to the mortgage holder that the Applicant is proposing the Property participate in the PACE Program, and obtain the mortgage holder's consent to such participation
- Receive confirmation from the Mortgage Lender that the levy of the PACE Financing, pursuant to the Assessment Contract, will not trigger an event of default allowing the Mortgage Lender

to exercise any remedies under the mortgage loan documents or other security documents held by the lienholder

- Advise the mortgage holder or lienholder that the PACE Financing will be repaid in Installments collected pursuant to the terms of the Assessment Contract subject to the same penalties, remedies and lien priorities as a special assessment

(12) Provisions for marketing and participant education;

IECA will conduct outreach to organizations that have existing relationships with owners such as IREM, BOMA, ICSC, as well as general business advocacy groups such as the local Chambers of Commerce. Contractors, project developers, and Energy Project assessment firms are also effective channel partners to engage and educate about the PACE Program.

IECA will also develop a website on behalf of the County that will have essential information regarding the PACE Program, benefits, and downloadable marketing materials as well as social media feeds and pages. Separately, there will be a web portal powered by Slipstream (formerly WECC) that will process project applications.

The IECA team has a variety of marketing materials that are ready to be adapted to the County and are tailored to both general audiences and specific stakeholders. The IECA team will provide training and education through in person seminars, workshops, webinars and web-based classes as appropriate.

(13) [Blank]

(14) Quality assurance and antifraud measures.

The Program Administrator will conduct quality assurance for PACE Financings and will enforce antifraud measures in order to ensure that PACE Financings adhere to the requirements stated in the Program Guidelines, as well as requirements enacted by applicable legislation and ordinances. Quality assurance protocols and antifraud measures serve to create safeguards that promote the quality and performance of Energy Projects and the corresponding PACE Financings completed through the PACE Program.

Protocols will assure that buildings improved through the PACE Program meet the property eligibility requirements established in statute and in the Program Guidelines. Measures will also verify that Applicants are eligible Record Owners that are in good standing according to state statute and the Program Guidelines.

Recognizing the public benefit of the clean energy projects, as well as the expected monetary benefits of the Energy Projects that accrue to Record Owners, Program Administrator will apply quality assurance and antifraud measures that promote high quality design and installation of Energy Projects. Quality assurance of Energy Projects will address the Energy Project assessment, the installation contractor and the disbursement of final payments to installation contractors and will be designed to reduce the risk of low-quality installations.

The Program Administrator will qualify Registered Contractors who apply to complete Energy Projects in the PACE Program to ensure they are licensed and meet PACE Program requirements. Additionally, the Program Administrator will qualify and provide oversight of PACE Capital Providers who intend to finance PACE Projects.

The Program Guidelines will define the processes that the Program Administrator will implement to ensure that PACE Financings comply with applicable statutory and PACE Program requirements regarding the terms of PACE Financings, the relationships between the amount of the Financing and the value of the Eligible Property, the appropriate consent of mortgage lienholders subject to a PACE Financing, and other required PACE Program requirements.

The Program Administrator will implement quality assurance and antifraud measures as described in this section; however it is understood that the County intends to implement an open-market PACE Program and that the Record Owner and all providers of goods and services for a PACE Project retain responsibility for operating ethically and assuring the satisfactory implementation of the PACE Project.

The Oversight Committee and Program Administrator may revise and update the quality assurance and antifraud protocols and procedures from time to time.

Exhibit A

Form of Assessment Contract

Exhibit B

6.0 Program Fees

Subject to the PACE Program's review and approval, the Program Administrator may modify the following fee structure to account for changes to program requirements or market factors. Such modifications will be published in updates to these Program Guidelines.

6.1 Application Fee

A \$150 fee is due to the Program Administrator at the time the Final Application is submitted to it for review. This fee is to be paid before the Program Administrator will begin review of the Final Application. Application Fees are to be sent to:

IECA PACE

Attn: Program Administrator Servicing Department

paypal@weccusa.org

6.2 Program Fee

The Program Fee is paid to the Program Administrator at or prior to the PACE Financing closing date. (See [7.0 Program Administration \(Application Process\)](#)). The Program Fee is a one-time processing fee for the transaction that is equal to one and three quarters percent (1.75%) of the Financed Amount stated in the Assessment Contract for the subject PACE Project. The Program Fee is limited to a maximum of \$75,000. This fee may be capitalized into the Financed Amount for the subject PACE Project. There may be a minimum Program Fee amount assessed on smaller PACE Projects.

6.3 County Fee

The fee is paid to the county in which the Eligible Property is located at or prior to the PACE Financing closing date. The rate and amount of the county fee varies by county according to the schedule below:

<u>County</u>	<u>County Fee</u>	<u>County Fee Cap</u>
Cook	0.25% (25 bps)	\$50,000
DuPage	0.25% (25 bps)	\$50,000
Lake	0.25% (25 bps)	\$50,000
All other Participating Communities	1.00% (1 point)	negotiable

The county fee is calculated based on the stated percentage amount in the table above, times the Financed Amount. The County Fee may be capped subject to the County's discretion. This fee may be capitalized into the Financed Amount for the subject PACE Project.

6.4 Bond Counsel Fee

Bond Counsel legal fees will be 1% of the Financed Amount up to \$3.5 million, plus 0.75% of the Financed Amount greater than \$3.5 million to \$7 million, plus 0.50% of the Financed Amount greater than \$7 million

to \$10.0 million, plus 0.35% of the Financed Amount greater than \$10.0 million, subject to adjustment on certain transactions as circumstances warrant. Any Bond Counsel fees charged in excess of the stated fee amount will be discussed with the Property Owner or the Capital Provider, as appropriate, prior to being included in any summary of expected costs of issuance.

The Bond Counsel Fees include the cost to issue the Bond Agreement including, bond counsel, issuer fees and the trustee. These fees may be capitalized into the Financed Amount for the subject PACE Project. The amount of such fees is set by the Program and appropriate Participating Community and may be capped subject to negotiation or the Participating Communities discretion.

According to the PACE Act Capital Providers are required to bond PACE Financings. A bonding program is available through the Participating Community and the Illinois Finance Authority, subject to the approval of the Participating Community.

6.5 Administrative Expense

Each Assessment Payment due through the term of the Assessment Contract shall include an Administrative Expense of \$400 per Assessment Payment (\$300 per Assessment Payment for a Financed Amount less than \$500,000). The Administrative Expense includes a County Treasurer servicing fee of \$200 per Assessment Payment for the collection and processing of the Assessment Payment(s) from the real estate tax bill. For Record Owners that include multiple PINs the PACE Financing will be allocated to each PIN, according to the Capital Provider and Property Owner's determination and an Administrative Expense will be applied to each individual PIN. Throughout the PACE Financing Term the Program may establish alternate Administrative Expense fee guidance.

6.6 Program Expenses

The foregoing Application Fee, Program Fee, County Fee, Bond Counsel Fee and Administrative Expense Fee include the suite of fees generally necessary to cover the regular costs of the administration of The Program. These costs and expenses do not include any specialized professional services that may be necessary should the circumstances of any PACE Project require them. For example (and without limitation), should any participant in a PACE Project submit substantive comments to The Program documentation (including but not limited to the PACE Assessment Contract), request a legal opinion from The Program counsel or require other time and resource intensive review of a transaction, the Property Owner for such PACE Project shall be responsible for covering such The Program expenses at cost. These expenses may be included in the Financed Amount. The Program Administrator will require evidence that such expenses will be paid before closing of a PACE Financing may proceed.

Program Administrator may pass through Program Expenses to the Capital Provider or the Property Owner to recover the cost of certain servicing functions such as processing prepayments, servicing any delinquent installments and any revision to the Assessment Payments schedule set forth in the Assessment Contract.

6.7 Capital Provider Fee

Capital Providers may charge an origination fee to cover their cost of arranging the PACE Financing. Any such fee shall be arranged and agreed to in an agreement between the Capital Provider and Applicant. If applicable, a debt service reserve may be included in the PACE Financing.