

PA C-PACE

PROPERTY ASSESSED CLEAN ENERGY

Delaware County PROGRAM GUIDELINES

Resolution Adopted by:

Delaware County 03/17/2021

Resolution Number 2021-2

PREFACE

Pennsylvania authorized Commercial Property Assessed Clean Energy (C-PACE) finance programs with the passage of Act 30 of 2018, signed into law by Governor Tom Wolf on June 12, 2018. C-PACE creates a financing tool for energy efficiency, renewable energy, and water conservation projects that result in consumption and cost savings for commercial, agricultural, and industrial properties.

A Pennsylvania county or a municipality with an established community or economic development authority can pass resolution or ordinance to establish C-PACE and designate a district for C-PACE that can be the whole municipality or any subsection.

§ 4303. Establishment of a program. The following apply:

- (1) A municipality with a community or economic development department or county may establish a property assessed clean energy program by adopting an ordinance or resolution that will establish the program, define the district and provide other operational standards and guidelines, which shall include, but not be limited to, the following:
 - (i) Require all clean energy projects to comply with national energy efficiency standards.
 - (ii) Develop criteria and procedures to determine the eligibility of real property and owners for participation in a program.
 - (iii) Other measures as needed to satisfy the requirements of this chapter or to ensure that a program is effective, efficient and fair to property owners.

To facilitate the adoption of C-PACE in Pennsylvania, these guidelines were developed to help define the “criteria and procedures” by the Sustainable Energy Fund (SEF) and the Keystone Energy Efficiency Alliance (KEEA) with the assistance of the Pittsburgh Office of Sustainability and Philadelphia Energy Authority. The team hired the consulting firm of Abacus Property Solutions, LLC which included key staff members from C-PACE program in VA, MD, CT, WI and C-PACE Alliance. Additionally, the group convened a statewide group of stakeholders and national consultants. There were more than 130 stakeholders represented during the guideline development process.

The Pennsylvania C-PACE Program Guidelines were adopted by **Delaware County** and they are substantially the same as other counties as to achieve consistent guidelines statewide and maximize the C-PACE investment in local counties and municipalities.

The Pennsylvania C-PACE Project Database will be developed by SEF to help local governments comply with the public reporting requirements of Act 30. SEF will post all projects, regardless of whether SEF is the Program Administrator, to this database if the information is supplied to SEF. This Project Database will be available on www.pennsylvaniaCPACE.org

Additionally, SEF has openly offered to act as the Program Administrator for any local unit of government in the Commonwealth of Pennsylvania. As a nonprofit, SEF provides any county or municipality opting into the program (outside of the city and county of Philadelphia) a uniform, turn-key C-PACE program administration platform that can be adopted at no cost. SEF offers a single point of access for Property

Owners, Local Units of Government, Qualified Contractors, and C-PACE Capital Providers, as defined in Section 2: Definitions. The Program Administrator reviews and certifies projects that are eligible for C-PACE financing. Delaware County has retained SEF as its Program Administrator.

SEF is working in partnership with KEEA to educate local governments in Pennsylvania about C-PACE. Founded in 2008, KEEA has more than a decade of experience promoting energy efficiency throughout the Commonwealth. KEEA educates the public about energy conservation and efficiency; monitors and supports energy efficiency policies and regulations at the state, county, and municipal levels; provides forums for sharing best practices; and mobilizes its network of businesses, nonprofit partners, and community stakeholders to educate decision-makers and showcase the economic impacts of the energy efficiency industry.

SEF is a nonprofit 501(c)(3) organization dedicated to assisting energy users in overcoming financial, educational, and regulatory barriers to a sustainable energy future through a series of financial and educational programs. SEF was created as a result of a settlement during electric deregulation approved by the Pennsylvania Public Utility Commission (Pa PUC). SEF's Board of Directors and any Bylaw changes are approved by the Pa PUC, and SEF submits its annual financial audit and annual report to the Pa PUC. Since its founding in 1999, SEF has been operating financial programs for almost 20 years. SEF has participated in financing all or a portion of more than \$100 million in projects throughout Pennsylvania. The SEF has financed loans, participation loans, leases, energy savings agreements and made equity investments.

SEF has experienced financial, technical and programmatic staff at its disposal. As a program administrator, SEF will use its financial and technical staff to ensure proposed projects meet approved program guidelines. Its programmatic and marketing staff will promote the program to commercial, industrial and agricultural businesses, contractors, financial institutions and C-PACE capital providers.

SEF Contact Information

C-PACE Website	www.pennsylvaniaCPACE.org
SEF Website	www.theseef.org
Email	cpace@theseef.org
Phone	610-264-4440
Address	4110 Independence Dr. Ste 100 Schnecksville, PA 18078

Table of Contents

PREFACE	2
Table of Contents	4
1.0 Introduction	6
2.0 Definitions	6
3.0 Program Administrator	13
4.0 Eligibility Requirements	13
4.1 Eligible Properties	13
4.2 Eligible C-PACE Projects	14
4.3 Survey Requirements	15
4.3.1 ECM Survey	15
4.3.1a Water Conservation Improvement Survey	17
4.3.1b Renewable Energy Feasibility Survey	17
4.3.1c New Construction/ Substantial Renovation Project Survey	18
4.4 Eligible C-PACE Project Costs, C-PACE Financing Amount, and Insurance Requirements	20
4.4.1 C-PACE Project Costs	20
4.4.2 Financing Amount	20
4.4.3 Insurance Requirements	20
4.4.4 Completion of Financing	21
4.5 Eligible Property Owners	21
5.0 Qualified Contractors	22
6.0 C-PACE Capital Providers	24
7.0 Program Fees	25
8.0 Program Administration (Application & Repayment)	26
8.1 Program Administration – Statute requirements	26
8.2 C-PACE Project Process	27
9.0 C-PACE Special Assessment Administration	31
9.1 C-PACE Special Assessment Lien	31
9.2 Delinquent C-PACE Special Assessment Collections	32

9.3 Conclusion of C-PACE Statement of Levy and Lien Agreement	33
10.0 Mortgage/Lien Holder Consent	34
11.0 Retroactive Projects	34
12.0 Disclosure	35
Appendix A: Commonwealth of Pennsylvania C-PACE Statute Act 30 of 2019	37
Appendix B: Pennsylvania C-PACE County Resolution	38
Appendix C: Eligible C-PACE Clean Energy Projects	39
Appendix D: C-PACE Statement of Levy and Lien Agreement Delaware County	42
Appendix E: EPA Portfolio Manager Property	43
Appendix F: Pre- Application	46
Appendix G: Final Application	47
Appendix H: Qualified Contractor Terms and Conditions	48
Appendix I: Fee Schedule for Delaware County	51
Appendix J: C-PACE Application Process Diagram	52
Appendix K: Mortgage/Lien Holder Consent	53
Appendix L: Program Administrator Disclosure Agreement	58

1.0 Introduction

Pennsylvania authorized the creation of Commercial Property Assessed Clean Energy (C-PACE) finance programs with the passage of Act 30 of 2018, signed into law by Governor Tom Wolf on June 12, 2018. C-PACE creates a financing tool for energy efficiency, renewable energy, and water conservation projects that result in consumption and cost savings for commercial, agricultural, and industrial properties. Pennsylvania C-PACE is voluntary and allows commercial property owners to obtain financing for eligible projects, typically through private capital providers, and to repay the financing through a special assessment (payment) added to the property taxes for that property.

The intent of these Guidelines is to facilitate a low-cost, open-market program that is uniform for Pennsylvania counties and municipalities to adopt. To opt-in to the program, counties or municipalities must pass a resolution that establishes a C-PACE District for the purpose of authorizing C-PACE financing. The C-PACE Financing Resolution adopted by Delaware County is attached as Appendix B. The purpose of establishing a statewide, standardized program is to create a harmonious market that minimizes costs and resources for participating local governments, capital providers, contractors, and property owners, and provides a central resource for promotion, technical assistance, contractor and capital provider qualification, and program evaluation.

Note: The C-PACE/PACE industry uses the word assessment to include the total C-PACE financing amount. When used in this document the term assessment is not related to the establishment of the value of real property.

2.0 Definitions

This section defines terms used in the Program Guidelines, including some terms used in the Pennsylvania C-PACE Statute.

Alternative Energy Source – A source of electricity generated by a means identified and defined in the Pennsylvania Alternative Energy Portfolio Standard: solar photovoltaic, other solar electric, solar thermal, wind power, large-scale hydropower, low-impact hydropower, geothermal, biomass, biologically derived methane gas, fuel cells, waste coal, coal mine methane, demand side management (including energy efficiency technologies, load management or demand response technologies, and industrial by-product technologies), and distributed generation systems. In addition to these energy sources, the Program may recognize alternative energy sources not included in the Alternative Energy Portfolio Standards Act when approving project applications.

Alternative Energy System- Under the Pennsylvania C-PACE statute, energy generated from alternative energy sources as defined under Act 213 of November 30, 2004 (P.L.1672, No.213), known as the Alternative Energy Portfolio Standards Act. In addition to these energy sources, programs may recognize alternative energy sources not included in the Alternative Energy Portfolio Standards Act when approving project applications.

Assessment Lien - An Assessment obligation, recorded with the title, that requires payment including past due amounts and required future payments and any interest or penalties thereon, which is (1) a first and prior lien against the real property on which the Assessment is imposed from the date on which the notice of contractual assessment is recorded and until the Assessment, interest or penalty is satisfied; and (2) shall have the same priority status as a lien for any other tax imposed by any agency, municipality or county of the Commonwealth and shall be treated as a tax imposed by any agency, municipality or county;

Bond - Under the Pennsylvania C-PACE statute, the term “bond” includes any public or private financing note, mortgage, financing agreement, deed of trust, instrument, refunding note or other evidence of indebtedness or obligation used to finance a C-PACE Project.

Business - Under the Pennsylvania C-PACE statute, a corporation, partnership, sole proprietorship, limited liability company, business trust or other commercial entity including nonprofit entities.

Class A Apprenticeship Program -An apprenticeship program that is currently registered with and approved by the US Department of Labor or a state apprenticeship agency and has graduated apprentices to journeyman status for two (2) of the past five (5) years. To permit development of recently registered programs, the graduation requirement shall not apply to an apprenticeship program registered since June 12, 2008 ((within the past ten (10) years)) if the program provides apprenticeship training for a craft or trade by the U.S. Department of Labor or State Apprenticeship Council at the time the program was registered. Any program not required to meet the graduation requirements may, in addition to providing proof that it is currently registered with federal or state government, be required to provide evidence that the program is actively engaged in bona fide apprenticeship training activity.

Clean Energy Project - Under the Pennsylvania C-PACE statute, a project which does any of the following:

- (1) Replaces or supplements an existing energy system that utilizes nonrenewable energy with an energy system that utilizes alternative energy;
- (2) Facilitates the installation of an Alternative Energy System in an existing building or a major renovation of a building;
- (3) Facilitates the retrofit of an existing building to meet high-performance building standards;
- (4) Installs equipment to facilitate or improve energy conservation or energy efficiency, including heating and cooling equipment and solar thermal equipment.

Completion Certificate – A written acknowledgement by a Property Owner and an Independent Professional Inspector or building code official that the C-PACE Project was properly completed.

C-PACE – The acronym for Commercial Property Assessed Clean Energy.

C-PACE Capital Provider – A financial institution or other entity that registers and is approved by the Sustainable Energy Fund to be added to the statewide Capital Provider database. This can include a property owner. See [Section 6.0](#) for registration requirements.

C-PACE District- An area or group of real properties within a Local Unit of Government designated by the municipality or county for the purpose of establishing a C-PACE program. A Local Unit of Government that establishes a C-PACE District must notify all municipalities in the proposed C-PACE District of their possible inclusion in the C-PACE District. The C-PACE District for Delaware County is the entire county.

C-PACE Financing – The total loan amount and all cumulative financing terms of a C-PACE Project, agreed to by a Property Owner and a C-PACE Capital Provider, subject to a C-PACE Statement of Levy and Lien Agreement between the Local Unit of Government, Property Owner and C-PACE Capital Provider and other financing agreements for the purpose of funding a C-PACE Project.

C-PACE Financing Agreement – The loan agreement that entails the total loan amount and all cumulative financing terms of a C-PACE Project, agreed to by a Property Owner and a C-PACE Capital Provider, subject to a C-PACE Statement of Levy and Lien Agreement.

C-PACE Project – A project made to an Eligible Property that meets the requirements set forth in the Program Guidelines. The installation or modification of a permanent improvement affixed to real property that is an Energy Efficiency Improvement, Clean Energy Project, Water Conservation Project or Alternative Energy System, which generates measurable energy savings, energy production or reductions in water usage. The installation must be performed by a Qualified Contractor, on a Qualified Property, located within a C-PACE District. The term includes installation of alternative energy-generating equipment affixed to the land or building.

C-PACE Special Assessment - A charge against the real property within a C-PACE District that includes all amounts owed to the C-PACE Capital Provider under a C-PACE Financing Agreement and all amounts payable to the Program Administrator and is collected by the Program Administrator. This use of the term “assessment” refers to the imposition of a tax-like payment obligation and does not refer to assessing or establishing the value of a property for taxation purposes.

C-PACE Special Assessment Payment – The Property Owner’s annual payment that includes the prompt year principal and interest payments owed to the C-PACE Capital Provider under a C-PACE Financing Agreement and all amounts and fees payable to the Program Administrator.

C-PACE Statute – Pennsylvania Public Law 198 No. 30, as amended. Senate Bill 234 signed by Governor Tom Wolf on June 12, 2018 enabling a Commercial Property Assessed Clean Energy Program.

C-PACE Statement of Levy and Lien Agreement – A Contract entered into among a Participating Local Unit of Government, a C-PACE Capital Provider and a Property Owner to finance a C-PACE Project. This agreement specifies the payment schedule of the C-PACE Special Assessment and collection mechanism.

Direct Costs - All Energy Conservation Measure direct costs necessary to complete the installation of a C-PACE Project, such as the installation/construction contract amount (materials and labor) and any required ancillary cost incurred in order to complete the installation of an Energy Conservation Measure.

Eligible Property – Any Property located in a C-PACE District that is utilized for general commercial or nonprofit purposes such as retail, industrial, office, agricultural, and hospitality uses. Eligible Property does not include any type of residential property including multifamily housing.

ECM Survey – An evaluation of the Energy Conservation Measures proposed for the C-PACE Project conducted by a Qualified Engineering Professional in compliance with [Section 4.3 Energy-Water Survey Requirements](#).

Energy Conservation Measure or ECM — Any type of Clean Energy Project, including Energy Efficiency Improvements, Alternative Energy Systems, Renewable Energy Improvements, and Water Conservation Improvements, implemented at an Eligible Property. The types of projects vary, but usually are designed to reduce the carbon intensity and/or utility and/or fuel costs: water, electricity, oil, coal and natural gas being the main five for industrial and commercial enterprises. The aim of an ECM should generally be to achieve savings by reducing the amount of energy or water used by a particular process, technology or facility or eliminating the use of a fossil fuel.

Energy Efficiency Improvement - Equipment, devices, or materials intended to decrease energy consumption or promote a more efficient use of electricity, natural gas, propane, or other forms of energy on property, including, but not limited to the following:

- (1) Insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems;
- (2) Storm 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 system modifications that reduce energy consumption;
- (3) Automated energy control systems;
- (4) High efficiency heating, ventilating, or air-conditioning and distribution system modifications or replacements;
- (5) Caulking, weather-stripping, and air sealing;
- (6) Replacement or modification of lighting fixtures to reduce the energy use of the lighting system;
- (7) Energy recovery systems;
- (8) Lighting controls and daylight harvesting systems;
- (9) ECMs included in the Pennsylvania Public Utility Commissions Technical Resource Manual; and
- (10) Other ECMs that increase Energy Efficiency, as approved by the Program Administrator.

Final Application— The application to participate in Pennsylvania C-PACE and receive a C-PACE Financing that confirms the Applicant meets all the requirements set forth in the Program Guidelines. Approval of the Final Application by the Program Administrator is a precondition to signing the C-PACE Statement of Levy and Lien Agreement and closing a C-PACE Financing transaction.

Financial Institution - Under the Pennsylvania C-PACE statute, a “financial institution” includes any person who in the ordinary course of business extends credit based on a lien, mortgage or security interest in real property or an encumbrance of real property or relies upon a lien, mortgage or security interest in real property or an encumbrance of real property to secure a current, contingent or future payment obligation. The term includes, but is not limited to, the following:

- (1) A bank, savings association, trust company, credit union or a subsidiary or affiliate of a bank, savings association, trust company or credit union;
- (2) A person engaged in the mortgage lending business subject to or exempt from licensing under 7 Pa.C.S. Ch. 61 (relating to mortgage loan industry licensing and consumer protection).;
- (3) A person subject to or exempt from licensing under the act of February 19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and Registration Act;
- (4) A person registered as a management company or unit investment trust or treated as a business development company under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.) or is excluded from registration under the Investment Company Act of 1940;
- (5) An insurance company;
- (6) A pension or employee health and welfare fund;
- (7) An association engaged in construction or the development or improvement of real property;

- (8) A condominium or cooperative association or planned community association;
- (9) A Federal, State or local agency, authority or an instrumentality of a government entity that is engaged in the financing or supports the financing of real estate development or the purchase or improvement of real estate.

Local Financing - Under the Pennsylvania C-PACE statute, a bond provided or facilitated by a county, municipality district, economic development corporation, related authority or any government-sponsored entity. This term does not include general obligation bonds.

Local Unit of Government - A Pennsylvania county or a municipality with an established community or economic development authority. The Local Unit of Government under these guidelines is Delaware County.

Mortgage/Lien Holder Consent – The written consent of the existing holder(s) of a mortgage, real property lien, security interest, or other encumbrance that secures a payment obligation on the Eligible Property of an applicant, a precondition to closing on a C-PACE Financing.

Notice of Pennsylvania C-PACE Approval – This is a notice provided to the Property Owner by the Program Administrator that signifies that the Final Application is complete and has been approved by the Program Administrator. Following receipt of this notice, the Property Owner may close its C-PACE Financing.

Owner Financing - Under the Pennsylvania C-PACE statute, a “bond” provided by a Property Owner or a third-party provider. This term may include a Power Purchase Agreement.

Pennsylvania C-PACE– The C-PACE program outlined under this document that can be adopted by a Local Unit of Government and administered by a Program Administrator, pursuant to the terms of the resolution that may be enacted by a Local Unit of Government and these Pennsylvania C-PACE Program Guidelines.

Pennsylvania C-PACE Statute – Pennsylvania Public Law 198 No. 30, as amended. Act 30 signed by Governor Tom Wolf on June 12, 2018 enabling a Commercial Property Assessed Clean Energy Program in Pennsylvania. The statute requires that counties, or municipalities with a community or economic development department individually authorize C-PACE programs in their jurisdictions.

Power-Purchase Agreement- A financial arrangement in which a third party owns, operates and maintains a permanently affixed energy generation system for a Property Owner, and the Property Owner purchases power from the third party at agreed-upon rates.

Pre-Application – The initial application completed by an applicant so that the Program Administrator can determine whether the proposed project is located on an Eligible Property and that the applicant is aware of the program requirements. Approval of a Pre-Application is a requirement prior to the Final Application submission.

Program Administrator – The organization or company empowered to act on the behalf of or at the discretion of the Local Unit of Government. The Program Administrator is responsible for marketing the program, approving C-PACE Projects, and coordinating servicing of repayment.

Program Fee – Fees charged in relation to the execution of a C-PACE financing project within a Local Unit of Government. Fees are discussed in more detail in [Appendix I](#).

Project Center – The web-based portal used by Property Owners and other stakeholders in a C-PACE Project to submit and manage applications for C-PACE Financings.

Property - Privately-owned agricultural, commercial, or industrial real property located within a C-PACE District but does not include residential property or property owned by a Local Unit of Government. This term is used synonymously with Real Property.

Property Assessed Clean Energy Program – Under the Pennsylvania C-PACE statute, a means of financing qualified C-PACE Project in a district through a C-PACE Special Assessment. This definition is referred to as the Pennsylvania C-PACE program in the Program Guidelines.

Property Owner – A business, individual, organization or investor that is the owner of an Eligible Property located in a C-PACE District that meets the eligibility requirements set forth in in the Program Guidelines.

Qualified Contractor – A business or organization that meets all standards defined for a Qualified Contractor and agrees to adhere to the required terms and conditions of participation in the Pennsylvania C-PACE program. A contractor or subcontractor that meets the following standards:

- (1) Possesses all technical qualifications and resources, including equipment, management, technical and craft labor personnel, and financial resources necessary to perform the contracted responsibilities, or will obtain the contracted responsibilities through the use of qualified subcontractors;
- (2) Possesses all valid, current licenses, registrations or other certificates required for the contractor or its employees by Federal, State or local law necessary for the type of work required for the project;
- (3) Does not have any outstanding liability to the locality in the form of tax obligations, fines or other fees, unless the contractor or subcontractor has entered into and is in compliance with a payment agreement with the locality for such taxes, fines or fees;

Meets all bonding requirements, as required by applicable law or contract specifications, and all insurance requirements as required by applicable law or contract specifications, including general liability insurance, workers' compensation insurance and unemployment insurance requirements.

Qualified Engineering Professional - A professional who meets or exceeds the qualifications to perform an ECM Survey. The professional can be a third-party firm or a contractor with appropriately licensed professionals on staff. The minimum qualifications include at least one of the following certifications:

- Certified Building Energy Assessment Professional (BEAP) (offered by ASHRAE);
- Certified Energy Auditor (CEA) (offered by Association of Energy Engineers [AEE]);
- Certified Energy Manager (CEM) (offered by AEE);
- Certified High-Performance Building Design Professional (HBDP) (offered by ASHRAE);
- Certified Measurement and Verification Professional (CMVP) (offered by AEE and Efficiency Valuation Organization);
- Certified Passive House Consultant;
- Licensed Professional Engineer (P.E.);
- Investor Confidence Project (ICP) Quality Assurance Assessor;

- EMA's Energy Management Professional (EMP);
- Investor Confidence Project (ICP) Project Developer.

Qualified Inspector – An Independent Professional Inspector or a building code official who certifies completion of a Clean Energy Project or Water Conservation Project.

Real Property – See Eligible Property definition.

Renewable Energy Feasibility Survey – A survey that provides technology and financing recommendations for the installation of a Renewable Energy Improvement. The survey must be performed by a renewable energy expert with detailed knowledge of the Renewable Energy Improvements under consideration in compliance with [Section 4.3: ECM Survey Requirements](#).

Renewable Energy Improvement – The fixtures, products, devices, and interacting groups of fixtures, products, or devices that are parts of an Alternative Energy System and use one or more Alternative Energy Sources.

Water Conservation Project - A project that reduces the usage of water or increases the efficiency of water usage and is compliance with [Section 4.3 ECM Survey Requirements](#).

3.0 Program Administrator

The Program Administrator is designated by the county or municipality. SEF has been designated as the Program Administrator for Delaware County. The Program Administered roles include but are not limited to:

- Maintaining Program Guidelines and ensuring they are updated and adopted as needed by the participating Local Unit of Government.
- Evaluating Project Applications to ensure compliance with approved Program Guidelines.
- Facilitating the Statement of Levy and Lien Agreement for each project to ensure that the responsibilities are clear for the Property Owner, C-PACE Capital Provider and Local Unit of Government
- Maintaining ongoing Project evaluation/ compliance and C-PACE Special Assessment payments.
- Marketing the C-PACE program.
- The ongoing education of Property Owners, contractors, financial institutions and C-PACE Capital Providers and mortgage lenders about the program, its guidelines and method for project approval.

4.0 Eligibility Requirements

4.1 Eligible Properties

Eligible Property Types

Pennsylvania C-PACE is currently available to commercial properties (office, retail, warehouse, medical, nursing homes, hospitality, agricultural, industrial, and vacant land, among others) located within a C-PACE District. Residential and multifamily residential properties are not eligible. Eligible properties may be owned by non-governmental, tax-exempt organizations that operate facilities such as community centers, hospitals, theaters, schools, religious facilities, etc.

Ineligible Property Types

Multi- family and residential housing are not allowed under the program.

Eligible Property Location

To be eligible, the Property must be within a C-PACE District, must be eligible to be placed on the property tax rolls of a County or municipality and have a property tax identification number or parcel ID.

Multiple Parcel IDs

Buildings with multiple Parcel ID/Parcel Number/tax keys require additional documentation and underwriting. For C-PACE Projects that encompass multiple Parcel IDs/tax keys, the C-PACE Special Assessment payment will include 1) a description of the method used to split the Payment between the parcels; 2) a list of lots, blocks, tracts, and parcels of land in the C-PACE District; and 3) the amount assessed on each parcel. However, the Program Administrator reserves the right to deny buildings with multiple Parcel ID/tax keys if either or both Parcel ID/tax keys cannot support the C-PACE Project.

4.2 Eligible C-PACE Projects

An eligible C-PACE Project that is a redevelopment of an existing Property must meet the following criteria. New construction C-PACE Projects are also eligible; see additional details in [Section 4.3c New Construction/Substantial Renovation Project Survey](#).

- The minimum C-PACE Financing amount in the Pennsylvania C-PACE program is \$10,000;
- The C-PACE Financing amount plus the outstanding principal amount of all mortgages and liens secured by the Property shall be approved by the C-PACE Capital Providers and existing mortgage lien holder(s);
- The C-PACE Financing term shall not exceed the expected useful life of the proposed Energy Conservation Measures as described in the Energy Survey and Water Survey. For projects that include multiple ECMs, the term of a C-PACE Financing may not be greater than the maximum term length determined by weighting the useful life of each ECM based on cost, subject to the Program Administrator's review and approval.
- ECMs must be permanently affixed to the Real Property, and the Property Owner must leave the improvements with, affixed or attached to the property during the term of the C-PACE Statement of Levy and Lien Agreement.
- ECMs must be supported by a survey of the existing water and/or energy usage and a calculation of the expected financial and energy/water savings and/or generation to be realized following installation of the approved C-PACE Project (see additional details in [Section 4.3](#) below). Examples eligible ECMs may be found in a list in [Appendix C](#) of these Program Guidelines. This list of ECMs is not exhaustive, and contractors and Property Owners are encouraged to propose ECMs not included in the list that permanently reduce energy and/or water consumption.
- A Project ECM(s) must meet one of the following criteria
 - a. Measures listed in Pennsylvania's Public Utility Service Commission's Technical Resource Manual; OR
 - b. Measures listed in the NYSERDA's Technical Resource Manual; OR
 - c. Measures identified as being eligible for utility incentive programs; OR
 - d. Energy efficiency products certified by Energy Star that are permanently affixed to the land or building; OR
 - e. Products on the list of Energy Efficient Equipment published by the Consortium for Energy Efficiency, Inc.; OR
 - f. Energy efficiency products certified by the Federal Energy Management Program; OR
 - g. Achieve a 20% energy reduction for a single ECM or group of ECMs; OR
 - h. Utilize best in class equipment.
 - i. Other measures not identified by one of the above-listed standards and approved by the Program Administrator.
- C-PACE Projects may qualify for and receive additional rebates and incentives from Electric Distribution Companies (EDCs) through the [ACT 129 Energy Efficiency and Conservation](#) program

and water conservation programs and other sources. Applicants are encouraged to obtain all applicable government, utility provider or manufacturer rebates.

4.3 Survey Requirements

The Pennsylvania C-PACE Statute states that a “program shall require for each proposed qualified project a scope of work, energy baseline or water usage baseline and the projected energy savings or water usage reductions in order to establish the viability of the qualified project and the projected energy savings or water usage reductions.”

To implement this provision, Pennsylvania C-PACE program requires that a Property Owner obtain an ECM and/or Renewable Energy Feasibility Survey, performed by a Qualified Engineering Professional or qualified renewable (solar) energy provider. The cost of the Survey, as well as the cost of any other third-party review of the Survey may be included in the C-PACE Financing amount.

There are three (3) different types of projects allowed under C-PACE, which have differing Survey requirements:

1. ECM projects for existing buildings;
 - a. Energy Efficiency, Water Conservation and/or Renewable Energy projects;
 - b. Water Conservation projects only
2. Renewable Energy projects only;
3. New Construction/ Substantial Renovation projects

4.3.1 ECM Survey

- a. The ECM Survey for Energy Efficiency, and/or Water Conservation Improvement projects must address the following components and information, as applicable:
 - Written description of the proposed project;
 - Expected annual energy savings, electrical demand reduction, water savings, renewable energy capacity (kW), renewable electrical production (kWh) and operational cost (\$) savings; Evaluation of energy savings may need to include weather normalization, where applicable;
 - Estimate of the useful life of each ECM. Cut sheets supporting useful life;
 - The total project capital cost required for each ECM including soft costs;
 - Operating cost assumption(s);
 - Clear and logical step-by-step calculations detailing the estimated annual energy savings, peak electrical demand reduction, and/or water usage and cost reductions.
 - Must be detailed and orderly enough that the Program Administrator can follow the calculation process without prior knowledge of the project;
 - Document assumptions and inputs to calculations (e.g., hours of operation, load factors, power factor, motor efficiencies, etc.) and use consistent calculations throughout (as appropriate);
 - Key numbers should be easily identifiable (circled, bold, highlighted, etc.) with correct units shown;
 - Include page numbers, especially if needed to reference numbers on other pages;
 - A copy of proposed relevant equipment specs, data sheets, etc.;
 - At least twelve consecutive months, when available, of most recent historical electric, natural gas and/or water consumption for the account(s) affected by the project, where available;

This may be presented in the form of utility bills or a spreadsheet compilation of historical energy and/or water data. If other energy providers are relevant to the project (examples: propane, fuel oil, district steam), that historical information should be provided as well.

- If renewable energy measures are under consideration, the survey requirements listed in Section 4.4.3 Renewable Energy Improvements must be incorporated.
- Building must be established in Energy Star Building Portfolio Manager.
<https://portfoliomanager.energystar.gov/pm/login.html>

The Qualified Engineering Professional will use generally acceptable engineering calculations or a building energy model in a DOE Qualified Software for Calculating Commercial Building Tax Deductions. Refer to: <https://www.energy.gov/eere/buildings/qualified-software-calculating-commercial-building-tax-deductions> Department of Energy website to determine savings attributable to the proposed ECMs for a list of qualified software.

Baseline for Improvements to Existing Buildings

All ECM Surveys shall assess the existing conditions of a building to establish the baseline level of energy and water usage against which the performance of the ECMs will be measured. Existing conditions may be determined based on nameplate efficiency ratings of currently installed equipment. Alternatively, the Qualified Engineering Professional may use modeled energy performance of the building or other professionally accepted methods of establishing energy and water efficiency performance of the existing building.

The Program Administrator will review the ECM Survey submitted with the application materials and submit any follow-up questions to the applicant's project team.

Qualified Engineering Professionals

All ECM Surveys for projects that include Energy Efficiency Improvements and/or Water Conservation Projects must be prepared and submitted by a Qualified Engineering Professional.

The Qualified Engineering Professional can be employed by a participating contractor on the project or can be an independent firm retained by the applicant or the applicant representative.

The name, firm name and credentials of the Qualified Engineering Professional shall be included in the ECM Survey.

Guidelines

The ECM Survey can follow:

- ASHRAE Energy Audit standards as defined by ANSI/ASHRAE/ACCA Standard 211-2018;
- Pacific Northwest National Laboratory, [A Guide to Energy Audits](#), PNNL-20956;
- [Investor Confidence Project \(ICP\)](#) Investor Investor Ready Energy Efficiency (IREE) Certification. An IREE certification is an acceptable alternative to an ECM Survey;
- [Pennsylvania EDC](#) based energy reduction worksheets.

The ECM Survey does not have to be comprehensive, if only a limited set of measures are being considered. For example, a project limited to upgrade of lighting would not require an extensive analysis of HVAC and envelope systems.

4.3.1a Water Conservation Project Survey

For C-PACE Projects limited to water savings, the ECM Survey must address the following components and information in addition to those summarized above in [Section 4.3.1](#).

- Documented assumptions and inputs to calculations (e.g., flow rates, estimated monthly usage).

Baseline for Existing Buildings

The Qualified Engineering Professional shall establish the correct baseline for the applicable water reduction measure and document the source in the ECM Survey.

Guidelines

- EPA Watersense [specifications for residential and commercial water-using fixtures and appliances](#).
- Additional national or state standards, which should be referenced.

Qualified Water Professionals: Water Engineers or other professionals with proper qualifications (must reference).

4.3.1b Renewable Energy Feasibility Survey

For all C-PACE Projects that include a Renewable Energy Improvement, the Property Owner must submit a Renewable Energy Feasibility Survey, which should address the following components:

- Site ambient conditions;
- Location for the Renewable Energy Improvement;
- Energy system foundation;
- Building characteristics;
- Utility consumption profile of the site, including the site's historic energy use and cost;
- Description of the proposed Renewable Energy Improvement;
- Projected annual energy production;
- Projected energy cost and levelized financial cost inclusive of financing of energy to be generated by the Renewable Energy Improvement, including assumptions affecting the levelized cost:
 - Weighted cost of energy saved and generated by the project;
 - Breakdown of cost savings to be realized, if any;
 - Utility tariff to be applied to the site and/or system following installation;
 - Utility escalation rate assumptions;
 - Tax benefits;
 - Expected Useful Life of the Renewable Energy System;
 - Maintenance expenses;
 - Alternative Energy Credits (AECs) or other ongoing sources of revenue as applicable.

- Survey of total project capital cost utility tariffs and interconnections issues, including analysis of impacts of surplus energy generation by the Renewable Energy Improvement;
- Identification of an appropriate commissioning plan for monitoring the system functionality and performance;
- Verification of the availability of net metering if the system generates excess power that is delivered to the utility grid at any time. Systems are not required to be grid connected.

The Renewable Energy Feasibility Survey should be prepared based on the Property Owners' intended use of the Renewable Energy Improvement. Allowable uses of a Renewable Energy Improvement include:

- Generation of electricity to supply the on-site demand of the Property Owner;
- Export of electricity to a utility provider;
- Sale of the electricity through the use of a Power Purchase Agreement (PPA) or similar approved agreement format, or a
- Combination of the three options;
- Production of clean heat or power by use of a renewable energy source such as biomass or biogas.

Power Purchase Agreement must be structured using a "prepaid PPA" model. Under this model, the C-PACE financing is used to prepay approximately 90% of the total cumulative contracted energy payments under the PPA.

The Program Administrator reserves the right to waive one or more required components of the Renewable Energy Feasibility Survey.

Baseline

The energy generation baseline for all Renewable Energy Improvements is assumed to be zero energy generation; provided, however, if a Renewable Energy Improvement is a replacement of an existing renewable energy system, the Renewable Energy Survey provider shall establish the baseline using performance and/or nameplate ratings of the existing system.

Qualified Professionals

All Renewable Energy Feasibility Surveys must be prepared by a Professional Engineer ("P.E.") or Investor Confidence Project ("ICP") Project Developer who has demonstrated experience in developing renewable energy projects.

The Program Administrator recognizes that developers and installers of solar PV projects may be able to provide a qualifying Renewable Energy Feasibility Survey to an Eligible Property Owner without engaging a P.E. or ICP Project Developer. Therefore, a NABCEP certified PV design professional, UL certified PV installer, or professional who has demonstrated experience developing commercial solar PV projects are also eligible.

4.3.1c New Construction/ Substantial Renovation Project Survey

C-PACE Financing is available for the construction of new buildings as well as a substantial renovation of existing building OR the adaptive reuse of vacant buildings. Per the C-PACE Statute, an ECM Survey is

required for both these project types to establish the energy or water usage baseline and document the estimated energy or water use reductions over that baseline. Further, the demonstration of reduced energy or water consumption will determine the amount of C-PACE Financing eligible for a new construction or substantial (gut) renovation project.

New Construction

New construction projects that utilize building standards and/or equipment outlined in one of the below standards will be eligible for C-PACE Financing. One hundred percent (100%) of the cost of the outlined ECMs will be eligible.

- [Net Zero Building: DOE and National Institute of Building Sciences \(NIBS\);](#)
- [Green Building Initiative: Green Globes for New Construction;](#)
- [LEED: New commercial construction \(LEED-NC\), Commercial interiors projects \(LEED-CI\);](#)
- [LEED: Core and shell projects \(LEED-CS\) that exceeds current building code requirements;](#)
- [Living Building Challenge: https://living-future.org/lbc/;](https://living-future.org/lbc/)
- [EPA Energy Star;](#)
- [PHIUS Passive House Commercial Requirements.](#)

The ECM Survey for a new construction project may demonstrate expected energy and/or water savings over this baseline in one of two ways:

1. New construction ECM Surveys may itemize energy or water related measures that are included in one of the above listed standards. The ECM Survey must describe each ECM's characteristics according to one of the above listed standards and provide supporting documentation showing the extent to which each ECM exceeds minimum baseline requirements. One hundred percent (100%) of the C-PACE Project Costs of each water or energy related measure that demonstrably exceeds minimum code requirements can be financed through C-PACE.
2. New construction ECM Surveys may demonstrate overall savings on a whole building level, following a methodology consistent with [ASHRAE 90.1 Appendix G guidelines](#). Estimated whole building energy savings above minimum baseline (IECC-2015 or current PA Building Code) should be calculated using a DOE approved building energy modeling software or detailed engineering calculations. Building level savings calculations shall state the building's total anticipated performance that is better than the building code (baseline) with a summary percentage of performance of the whole building that is above the code baseline. One hundred percent (100%) of the C-PACE Project Costs of all water or energy related measures in new construction projects that demonstrate a whole- building summary performance that is 10% or more above minimum code baseline are financeable through C-PACE.

New construction projects that only involve Renewable Energy installed on a new building are not subjected to the additional requirements and should follow the established ECM Survey requirements for Renewable Energy Improvements to existing buildings.

Substantial Renovation (Gut Rehabilitation) and Adaptive Reuse

If the subject C-PACE Project concerns the substantial renovation of an underutilized building, as determined by the local municipality, such as designated blighted property, the baseline for the purposes of establishing energy or water usage may be set at the minimum code level for replacement or addition of equipment. One hundred percent (100%) of the C-PACE Project Costs of all water or energy related measures in Substantial Renovation projects that demonstrate a whole- building summary performance that is 10% or more above minimum code baseline are financeable through C-PACE.

Except for the provision of historic utility bills, the ECM Survey for this project type should include all other component requirements for **New Construction**, as outlined above. Energy or water savings for Substantial Renovation may be established using the appropriate energy survey methodology determined by the Qualified Engineering Professional as set forth above.

4.4 Eligible C-PACE Project Costs, C-PACE Financing Amount, and Insurance Requirements

4.4.1 C-PACE Project Costs

The C-PACE Project budget may include all Direct Costs required to install all ECM(s) included in the C-PACE Project as well as soft costs required to develop and finance the installation.

Eligible Direct Costs include all costs necessary to complete the ECM work, such as the installation/construction contract amount (materials, labor and overhead) and any required ancillary cost incurred in order to complete the installation of an ECM. Examples of eligible ancillary costs are roof structural improvements necessary to allow the installation of a roof mounted solar PV array or building electrical upgrades necessary to install an efficient HVAC system. The C-PACE Project budget must clearly demonstrate that the ancillary costs are necessary for installation of the ECMs, and may be subject to the Program Administrator's review upon request. Changes to the property that are incidental and necessary installation of a qualified improvement and necessary may be covered.

Eligible soft costs may include the cost of the following: Program Fees, energy or water survey, other required design and engineering, project development fees, Program Fees, permit fees, surveys, legal fees, other third-party reports, inspection fees, financing fees, fees associated with the issuance of bonds for the financing, interest reserves deposits, recordation fees, capitalized interest and commissioning. The applicant may request consideration of additional soft costs not listed above.

4.4.2 Financing Amount

The amount financed cannot exceed the soft costs, Direct Costs and C-PACE Financing costs.

4.4.3 Insurance Requirements

All Property Owners are required to maintain insurance on the Property payable to the C-PACE Capital Provider in the event that the C-PACE equipment and/or building is destroyed.

If requested, Property Owner shall add the C-PACE Capital Provider as loss payee and additional insured on its insurance policies which shall be in an amount equal to or greater than the amount of the C-PACE financing plus all outstanding debt on the property. Without limiting the generality of the foregoing,

such policies shall include all-risk property insurance on a replacement cost basis, builders risk insurance, general liability insurance and all other insurance required of Property Owner. Based on the financing contract with the C-PACE Capital Provider and/ or a signed letter of consent by mortgage/lien holder there may be a forced placement of insurance required.

4.4.4 Completion of Financing

The C-PACE Capital Provider must submit a certified statement to the Program Administrator that the C-PACE Capital Provider's loan has been satisfied. The Program Administrator will submit the certification statement to the Local Unit of Government to cease future assessments.

4.5 Eligible Property Owners

Owners of Eligible Properties may use the Pennsylvania C-PACE Program to finance a C-PACE Project. The Property Owner initiates the financing process by submitting a C-PACE Pre-Application, which the Program Administrator will use to determine eligibility of the Property and the Property Owner.

The Property Owner is responsible for selecting and conducting due diligence on all service providers for the C-PACE Project and the C-PACE Financing. Service providers include Qualified Engineering Professionals, Qualified Contractors, and C-PACE Capital Providers.

The Property Owner is also responsible for submitting all required documents and for signing a Pre-Application, Final Application, and C-PACE Statement of Levy and Lien Agreement. The Property Owner is encouraged to carefully review and ensure understanding of all documents.

After closing of the C-PACE Financing, the Property Owner is responsible for submitting C-PACE Special Assessment payments during the term of the C-PACE Statement of Levy and Lien Agreement.

To be eligible to participate in the program, a Property Owner must:

- Possess the most recent recorded deed, fee title or land contract vendee's interest of an Eligible Property as shown by the records of the Register of Deeds. Alternatively, if the applicant will become the Property Owner of the Property upon closing of the C-PACE Financing, documentary evidence showing such anticipated transfer reasonably satisfactory to the Program Administrator would be required. All Property Owners of the fee simple title to the subject property, or their legally authorized representatives, must sign the Final Application. Therefore, before submitting the Pre-Application, the applicant should ensure that all owners (or their representatives) of the subject Property agree to participate in the C-PACE Financing on the aforementioned terms.
- Obtain the written affirmative consent of the holders of any mortgages, liens, or other encumbrances secured by the Property to participate in Pennsylvania C-PACE. See [Section 10.0 Mortgage/Lien Holder Consent](#) below for requirements.
- Certify that the Property Owner (and its corporate parent if the Property Owner is a single-purpose entity) is solvent and that no proceedings are pending or threatened in which the Property Owner (or the corporate parent, as applicable) may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from all of the Property Owner's (or corporate parent's, as

applicable) debts or obligations, be granted an extension of time to pay the Property Owner's (and the corporate parent's, as applicable) debts or be subjected to a reorganization or readjustment of the Property Owner's (and the corporate parent's, as applicable) debts. The Property Owner must also certify that the Property Owner (or any corporate parent if the Property Owner is a single-purpose entity) has not filed for or been subject to bankruptcy protection in the past two years.

- Be current in the payment of all obligations secured by the subject Property, including property taxes, special assessments (including C-PACE Special Assessment), special taxes, other tax liens, or water or sewer charges, among others. The Property Owner is required to submit a certification statement to acknowledge there are no obligations or charges associated with the property. The Program Administrator may review public records, including the real property records, to verify compliance with this requirement.
- Have no involuntary liens on the Property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the Property Owner, or eminent domain proceedings. The Program Administrator and its financing partners may review public records, including the real property records and court documents, to verify compliance with this requirement.
- Have no notices of default or delinquency on property-based debt that have been recorded and not cured.
- Certify that it is not a party to any litigation or administrative proceeding of any nature in which the Property Owner has been served with notice of pending litigation, and that no such litigation or administrative proceeding is pending or threatened that, if successful, would materially adversely affect the Property Owner's ability to operate its business or pay the contractual Annual C-PACE Installment when due, or which challenges or questions the validity or enforceability of the C-PACE Statement of Levy and Lien Agreement or any other documents executed by Property Owner in connection with the Property Owner's participation in Pennsylvania C-PACE.

Properties that are currently appealing a property tax assessment will be reviewed, and eligibility for Pennsylvania C-PACE will be determined on a case-by-case basis with concurrence from the Local Unit of Government responsible for the C-PACE District.

5.0 Qualified Contractors

Pennsylvania C-PACE seeks to facilitate good, locally based jobs for contractors and their employees. All projects financed through Pennsylvania C-PACE must be installed by a Qualified Contractor. The Program Administrator retains the right to review, approve, or deny an installation a contractor's participation in the Pennsylvania C-PACE Program. If a Property Owner desires to have a company that is not a Qualified Contractor install the ECMs to be funded through the C-PACE Financing, the non-participating company may become a Qualified Contractor by confirming its compliance with the Qualified Contractor requirements and agreeing to the terms and conditions of participation in Pennsylvania C-PACE.

To be eligible for C-PACE Financing, all work associated with the installation of an ECM that requires a license under any applicable law must be installed by a Qualified Contractor who holds the appropriate license. A Qualified Contractor must possess all technical qualifications and resources to properly install the ECMs. Qualified Contractors must not have any outstanding liabilities/ payments owed to the Local Unit of Government and must meet all relevant bonding requirements. A Qualified Contractor must

adhere to all requirements for a Qualified Contractor, as described in the C-PACE Statute under Qualified Party:

Qualified Contractor - A contractor or subcontractor that meets the following standards:

- (1) Possesses all technical qualifications and resources, including equipment, management, technical and craft labor personnel, and financial resources necessary to perform the contracted responsibilities, or will obtain the contracted responsibilities through the use of qualified subcontractors.
- (2) Possesses all valid, current licenses, registrations or other certificates required for the contractor or its employees by Federal, State or local law necessary for the type of work required for the project.
- (3) Does not have any outstanding liability to the locality in the form of tax obligations, fines or other fees, unless the contractor or subcontractor has entered into and is in compliance with any payment agreement with the locality for such taxes, fines or fees.
- (4) Meets all bonding requirements, as required by applicable law or contract specifications, and all insurance requirements as required by applicable law or contract specifications, including general liability insurance, workers' compensation insurance and unemployment insurance requirements.

Additionally, all firms that perform work on any Energy Efficiency Improvement, Renewable Energy Improvement, or Water Conservation Project must meet certain additional requirements.

1. A Qualified Contractor, whose work on a project is greater than or equal to \$50,000 in labor costs must meet technical qualifications through one of the following: (1) employ a journeyman that has participated in a Class A Apprenticeship Program, or (2) perform work under the supervision of a Licensed Professional Engineer, or (3) possess a license to perform the necessary type of work issued by the county or municipality or in the case of a solar photovoltaic system be a NABCEP certified installer. For projects with a labor cost component less than or equal to \$50,000 or performed in municipalities where there are no licensing requirements, a Qualified Contractor must be able to pull a permit within the municipality. This does not apply to contractors used to establish the baseline or energy savings (see [Section 4.3 - Energy Survey Requirements](#));
2. To demonstrate the Qualified Contractor has the financial resources necessary to complete the job, the C-PACE Capital Provider for a C-PACE Project shall submit a certification that the Qualified Contractor meets their requirements;
3. A Qualified Contractor is required to submit a self-certification statement that it meets these requirements together with copies of the licenses, registration or other certificates.

The Program Administrator **strongly recommends** that the Qualified Contractor for a C-PACE Project provide to the C-PACE Capital Provider a self-certification statement that it complies with the provisions below. The Program Administrator assumes no liability for the quality and performance of any given contractor.

1. The Qualified Contractor has not been debarred or defaulted on any project by any federal, state, or local government agency or authority in the past three (3) years;

2. The Qualified Contractor has not had any type of business, contracting or trade license, registration or other certification suspended or revoked in the past three (3) years;
3. The Qualified Contractor has not committed a willful violation of federal or state safety laws as determined by a final decision of a court or government agency in the past three (3) years;
4. The Qualified Contractor and its owners have not been convicted of any crime relating to the contracting business by a final decision of a court or government agency for the past ten (10) years;
5. The Qualified Contractor has not within the past three (3) years been found by a final decision of court or government agency in violation of any law applicable to its contracting business, including, but not limited to, licensing laws, tax laws, prompt payment laws, wage and hour laws, prevailing wage laws, environment laws or others, where the result of such violation was the imposition of a fine, back pay damages or any other type of penalty in the amount of \$25,000.00 or more for any single incident or penalties amounting to \$50,000.00 or more for the previous three (3) years prior to submission of the certification form;
6. The Qualified Contractor participates in the Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and shall continue to participate in such program or programs for the duration of the project.

The Property Owner is required to complete its own due diligence including but not limited to consideration of finances, performance, and pricing, before selecting a contractor. Property Owners should conduct reviews of the Qualified Contractor(s) to ensure that qualified, reputable contractors are chosen to perform the work on the C-PACE Project according to plan, specifications, and requirements set forth in the Program Guidelines.

As part of the Final Application, contractors will submit documents self-certifying that they meet the requirements to be considered a Qualified Contractor. Property Owner should not rely on Program Administrator's approval of a Qualified Contractor as assurance of the Qualified Contractor's qualifications.

A copy of the terms and conditions of participation by Qualified Contractors in the Program is included as [Appendix H](#).

6.0 C-PACE Capital Providers

Pennsylvania C-PACE operates an "open market" program so that Property Owners can select their preferred C-PACE Capital Provider for a project on their Eligible Property. The open market model gives eligible Property Owners access to a range of private C-PACE Capital Providers that offer competitive rates and financing terms and conditions. C-PACE Capital Providers may have additional guidelines and requirements beyond the terms and conditions contained herein.

The Program Administrator will not facilitate Local Financing at this time. Some units of local government may provide financing which would likely have program requirements that exceed these guidelines. These Program Guidelines and the C-PACE Statement of Levy and Lien Agreement included here primarily contemplate the use of Owner Financing, (e.g. through a C-PACE Capital Provider); however, Local Units of Government are not prohibited from participating as C-PACE Capital Providers. The Property Owner will retain the right to choose the type and provider of financing that works best for their business needs.

Any capital provider interested in offering C-PACE Financing must register with the Program Administrator to participate in Pennsylvania C-PACE. Registration can take place during the C-PACE application process and does not need to occur prior to pursuing C-PACE transactions. The process to register as a C-PACE Capital Provider is as follows:

1. The interested capital provider must submit a registration form which includes an acknowledgement by the Capital Provider of their capacity to originate, underwrite, and finance C-PACE assessments; along with the obligation to pay any processing, collection, administration, legal or other amounts necessary for program assessment lien servicing, in the event that such amounts are due prior to recovery from Property Owner(s). The registration form is available at www.PennsylvaniaCPACE.org
2. Upon approval by the Program Administrator, the capital provider will be considered a “C-PACE Capital Provider.” The Program Administrator may list C-PACE Capital Providers on the Pennsylvania C-PACE website. All Pennsylvania Financial Institutions are C-PACE Capital Providers.
3. Prior to closing of the C-PACE Financing, information pertaining to the Property Owner’s applications to Pennsylvania C-PACE shall be kept confidential among the parties to the Final Application. However, prior to the closing of the applicable C-PACE Financing, the capital provider must register with the Program Administrator. Following closing of the C-PACE Financing, the Program Administrator will publicly report certain information about the C-PACE Project and the C-PACE Financing, as referenced in [Section 8.1](#) below.

The information provided by C-PACE Capital Providers will be used to link C-PACE Capital Providers, project developers, energy service companies, Qualified Contractors, energy auditors, engineering firms, utility companies, Property Owners, and others to develop and fund qualified C-PACE Projects.

The Program Administrator reserves the right to deny a C-PACE Capital Provider participation in the Program if the terms of the Program Guidelines and C-PACE Statement of Levy and Lien Agreement are not met on a previous project. Program Administrator will share the list of refused C-PACE Capital Providers with other C-PACE administrators in Pennsylvania.

7.0 Program Fees

To participate in the C-PACE Program, Property Owners must agree to pay various administrative and financing fees. The Program Fees for any specific project will be disclosed and agreed to prior to financing. Please refer to the fee schedule in [Appendix I](#). The Program Administrator and Delaware

County each reserves the right to modify its fee structure at any time due to changes to program requirements or market factors.

8.0 Program Administration (Application & Repayment)

To proceed with funding a C-PACE Project, a Property Owner must complete a two-phased application process: Pre-Application and Final Application. Approval of the Pre-Application should be received prior to project development. The Program Administrator must approve the Final Application prior to signing the C-PACE Statement of Levy and Lien Agreement and closing a C-PACE Financing. See Appendix I for diagram overview of application process. The Application and Program Administration process is broken into two distinct parts: Part 1 includes the application management, approval, and completion of the project. Part 2 involves the repayment of the C-PACE Financing.

8.1 Program Administration – Statute requirements

The Pennsylvania C-PACE Statute identifies certain responsibilities and functions for the Program Administrator of a C-PACE Program.

- Ensure that C-PACE Projects comply with the requirements of the ordinance or resolution that establishes the C-PACE Program for the District;
 - Require all Clean Energy Projects to comply with national energy efficiency standards;
 - Develop criteria and procedures to determine the eligibility of real property and Property Owners for participation in a Program;
 - Other measures needed to ensure that a Program is effective, efficient and fair to Property Owners;
- Ensure that Mortgage/Lien Lender Consent has been received on an Eligible Property that will be subject to the C-PACE Statement of Levy and Lien Agreement.
- Ensure that for each proposed C-PACE Project, the Property Owner provides a qualified scope of work, energy baseline or water usage baseline and the projected energy savings or water usage reductions in order to establish the viability of the qualified C-PACE Project and the projected energy savings or water usage reductions.
- Obtain verification of completion of all C-PACE Projects, acknowledged by the Property Owner and a licensed independent inspector or building code official. Property Owners are encouraged to engage a third party to independently commission the newly installed Energy Efficiency, Water Conservation and/or Renewable Energy Improvements. The cost of the third-party commissioning can be included in the C-PACE financing.
- Post online and make available to the public certain information about each closed C-PACE Project.
- Contents of notice: The notice under subsection (a) must contain:
 - (1) The legal description of the property.
 - (2) The name of each property owner.

- (3) The total amount of the qualified C-PACE Project and a complete description of the Project.
- (4) The assessment needed to satisfy the bond.
- (5) A reference to the statutory assessment lien provided under this chapter.
- (6) The financing rate on the bond, the total amount of the bond financing and any financing charges associated with the bond.

- Ensure that proceeds from C-PACE Financings are attributable to qualifying expenses.

8.2 C-PACE Project Process

Application Process Overview

To proceed with funding a C-PACE Project, a Property Owner must complete the application process, which has two phases: Pre- Application and Final Application. Approval of the Final Application by the Program Administrator is a requirement prior to closing a C-PACE Financing. [See Appendix J: C-PACE Application Process Diagram](#) for further information.

1. Determine Eligibility and Complete the Pre-Application

Step one in the process is to complete the Pre-Application. See [Appendix F: Pre-Application](#). The Pre-Application gives Property Owners the opportunity to establish eligibility for participation in Pennsylvania C-PACE before they invest in project development. The information collected in this step of the process will be used by the Program Administrator to verify that the applicant's property is an Eligible Property, and that the proposed project falls within the parameters established in the Program Guidelines.

- To begin the process, Property Owners or their designated representatives complete the Pre-Application form.
- Once a Pre-Application is submitted, the Program Administrator will conduct a preliminary review to determine if the Property and proposed project are eligible for enrollment in the C-PACE Financing Program. This review will typically be completed within four (4) business days of receipt of a completed Pre-Application. If a Property Owner's property is not in a C-PACE District, the Program Administrator will provide guidance on what steps the Property Owner can take to help bring C-PACE to their community.

2. Develop Project and Obtain Mortgage/Lien Holder Consent

- Following review and approval of the Pre-Application, the Program Administrator will notify Property Owner that the Pre-Application is approved, and Property Owner should move forward with the project development phase.
- Property Owners and/or their designated representatives will work to develop and define an eligible C-PACE Project. Applicants should obtain an ECM Survey, at this point in the process, as previously described in [Section 4.0 Eligibility Requirements](#) above. Following the Survey, applicants will work with their Qualified Contractors to determine the final scope, project cost and schedule.
- Applicants should also contact C-PACE Capital Providers to secure acceptable C-PACE Financing terms and conditions. Pennsylvania Bankers Association, Pennsylvania Department of Banking and PACE Nation has a listing of possible capital providers.

- The C-PACE Capital Provider will conduct its own review of the C-PACE Project according to its underwriting requirements.
- Mortgage/Lien Holder Consent is a condition precedent to closing a C-PACE Project per the Pennsylvania C-PACE. Simultaneously to the project development process, the Program Administrator recommends that the applicant ask the C-PACE Capital Provider how to approach any and all current mortgage or lien holder(s) on the property to acquire written Mortgage/Lien Holder Consent for the proposed C-PACE Financing. Many traditional lenders are not familiar with C-PACE financing and may not understand its features. The Program Administrator encourages Property Owners to coordinate with an experienced C-PACE Capital Provider before contacting any mortgage or lien holder. Property Owner should also contact holders of any other liens or encumbrances on the Property that are subject to the lender consent requirements of the C-PACE Program (See [Section 10.0 Mortgage/Lien Holder Consent](#)).

3. Submit Final Application with Supporting Documentation

- When the pre-development work for the C-PACE Project is substantially complete, Property Owners should submit complete the Final Application. The Final Application is available to the Property Owner upon approval of the Pre-Application and is accessible from the Program Administrator.
- Along with a complete Final Application form, Property Owners are required to submit documentation about the C-PACE Project through the Project Center. The Project Center is the web-based portal used by Property Owners and other stakeholders in a C-PACE Project to submit and manage applications for C-PACE Financings. The Final Application form within the Project Center contains a list of all required documents.
 - a. **ECM Survey** conducted according to the requirements of the Program Guidelines and documenting the expected monetary savings from the energy, water and operations savings to be achieved by the C-PACE Project.
 - b. **Mortgage/Lien Holder Consent** evidenced by written consent from all existing mortgage holders on the Eligible Property for the proposed C-PACE Project. (See [Section 10.0 Mortgage/Lien Consent](#) for further detail).
 - c. **Title Report** disclosing all current mortgage and lien holders on the property and showing that there are no involuntary liens on the property (the Title Report must be issued not more than 30 days prior to closing of the C-PACE Financing).
 - d. **Capital Provider Statement** certifying that Capital Provider has reviewed the financial worthiness of each Qualified Contractor and accepts the use of each Qualified Contractor on the C-PACE Project.
 - e. **Preformatted template Final C-PACE Statement of Levy and Lien Agreement** must have been agreed upon among the C-PACE Capital Provider, Property Owner and the Local Unit of Government. There should be no material changes to the C-PACE Statement of Levy and Lien Agreement after Pennsylvania C-PACE's approval and prior to closing. This includes a copy of the C-PACE Financial Agreement.
 - f. **Payment of Program Expenses** must be evidenced in proposed sources and uses or some other documentation reasonably satisfactory to the Program Administrator.

Once a Final Application is received, the Program Administrator will review it for completeness and accuracy of the information and documents enclosed to ensure they comply with the Program Guidelines. The Program Administrator will provide the Property Owner with written Notice of Pennsylvania C-PACE Approval or request for more information within ten (10) business days of a submission of a completed Final Application. If the Program Administrator finds that the Property Owner's Final Application is incomplete, the Program Administrator will notify the Property Owner who will have the opportunity to complete any missing information. Upon resubmission of a completed Final Application, the Program Administrator will complete its review within ten (10) business days and respond in writing with the results of its review of the Final Application. Thereafter, the C-PACE Project may be submitted for final Pennsylvania C-PACE approval.

4. Close Financing & Execute C-PACE Statement of Levy and Lien Agreement

Upon the approval of the Final Application by the Program Administrator, a Notice of Pennsylvania C-PACE Approval will be sent to the Property Owner and its designated agent. Upon receipt of the Notice of Pennsylvania C-PACE Approval, the Property Owner may proceed with closing of the C-PACE Financing. A copy of this Notice of C-PACE Approval will be sent to the Local Unit of Government.

In addition to any financing agreements required by the C-PACE Capital Provider, the Property Owner, C-PACE Capital Provider, and the Local Unit of Government are required to execute the C-PACE Statement of Levy and Lien Agreement in conjunction with the C-PACE Financing closing. The C-PACE Statement of Levy and Lien Agreement is a contract between the C-PACE Capital Provider, the Property Owner, and the Local Unit of Government that memorializes for the public record that there is C-PACE Financing lien against the Property Owner's real property, among other terms. A copy of the C-PACE Statement of Levy and Lien Agreement is included in the Program Guidelines in [Appendix D](#). Following the execution and payment of all applicable fees, the Program Administrator will record the C-PACE Statement of Levy and Lien Agreement with the register of deeds in the county in which the Eligible Property is located.

5. C-PACE Project Implementation

Following close of the C-PACE Financing and receipt of the proof of recording of the C-PACE Statement of Levy and Lien Agreement, the Property Owner and its agents receive C-PACE Financing in accordance with the C-PACE Statement of Levy and Lien Agreement, Property Owner and C-PACE Capital Provider financing agreement, and the C-PACE Application.

6. Project Completion

Upon substantial completion of the C-PACE Project, the Property Owner and a Qualified Inspector or Building Code Official will execute a final completion certificate. The Completion Certificate will acknowledge that all contracted work has been properly completed. The Property Owner or Qualified Inspector will submit an executed Completion Certificate for the C-PACE Project to the Program Administrator.

Pennsylvania C-PACE recommends, but does not require, that the Qualified Contractor or ECM Survey provider complete commissioning of the ECMs prior to executing a completion certificate for the C-PACE Project. Pennsylvania C-PACE recommends that the commissioning report include certain information.:

- 1) A statement that systems have been completed in accordance with the ECM Survey and/or Renewable Energy Feasibility Survey and contract documents, and that the systems are performing as expected;

- 2) Identification and discussion of any substitutions, compromises, or variances between the final design intent, contract documents and as-built conditions;
- 3) Description of components and systems that exceed the owner's project requirements and those which do not meet the requirements and why; and
- 4) A summary of all issues resolved and unresolved and any recommendations for resolution.
- 5) Certification by the qualified firm or individual that prepared the post-construction commissioning report, including identification of the relevant professional credentials maintained by the firm or individual.

7. Post-Completion Measurement and Verification (M&V)

Pennsylvania C-PACE requires one of three methods regarding measurement of energy savings after the completion of a project. Applicants have three options for meeting this requirement:

1. Self-Perform. Applicants may benchmark the building in Energy Star Portfolio Manager upon approval of the Final Application by the Program Administrator and subsequently enter data into Energy Star Portfolio Manager on a quarterly basis for **two years** following the submission of the Completion Certificate to the Program Administrator. A login and password for the Applicant's Energy Star Portfolio Manager account for the subject Property must be provided to the Program Administrator.
2. Data Waiver. Applicants may execute a waiver of utility data access rights to the Program Administrator for a period of three (3) years, starting from one year preceding the approval of the Final Application. The Program Administrator will collect applicable utility bill information for the subject property and share energy consumption reports with the Property Owner annually.
3. International Performance Measurement and Verification Protocols (IPMVP). Applicants may engage a third party to perform a post measurement and verification using International Performance Measurement and Verification Protocols.

The Data Waiver option will include an additional Program Fee, which may be included in the C-PACE Financing.

Energy consumption and/or energy savings data will be held by the Program Administrator and shared with the public for program impact reporting purposes in **aggregate form only**. The Program Administrator will not share building-specific, project-specific, Property Owner-specific, or Contractor-specific identifying information related to the energy consumption, projected energy savings, or realized energy savings without the explicit written authorization of the subject Property Owner.

Verification of energy savings consistent with the International Performance Measurement and Verification Protocols (IPMVP) is not required but encouraged.

The Program Administrator is not responsible for disparities in projected or actual energy, water or financial savings.

8. Change Orders

All change orders that result in an alteration of the anticipated energy and water savings attributed to the C-PACE Project must be pre-approved by Program Administrator to ensure that the changes to the C-PACE Project remain consistent with the requirements as set forth in the Program Guidelines. The Property Owner shall provide documentation of the change as follows:

- Change in C-PACE Project scope, description of changes;
- Revised C-PACE Project budget to account for changes in C-PACE Project cost;
- Energy and operations savings estimate as evidenced in a revised ECM Survey or Renewable Energy Feasibility Survey;
- Approval of the change by the C-PACE Capital Provider.

A Property Owner who requires a change order is required to complete a summary of the above changes and submit the same to Program Administrator for approval.

9. Public Reporting

Following execution of a C-PACE Statement of Levy and Lien Agreement, the Local Unit of Government will provide a public notice and report of certain information about the Assessment and the C-PACE Project.

1. The legal description of the property;
2. The name of each Property Owner;
3. The total amount of the qualified C-PACE Project and a complete description of the Project;
4. C-PACE Financing amount;
5. A reference to the statutory assessment lien provided under this chapter of the C-PACE Statute;
6. The financing rate on the Bond or C-PACE Financing, the total amount of the financing and any financing charges associated with the C-PACE Statement of Levy and Lien Agreement.

10. C-PACE Disclosure

Prior to closing the C-PACE transaction, the C-PACE Contractor or the C-PACE Capital Provider must certify to the Program Administrator that the Property Owner was provided and has signed a disclosure that includes the following:

1. Annual and lifetime CO_{2-e} reductions measured in metric tons
2. Total Energy Saved and/or Total Energy Generated
3. Annual financial savings
4. Total C-PACE Financed Amount
5. Annual C-PACE Payment
6. Disclosure that property can be foreclosed on in the event C-PACE payment is not made.

9.0 C-PACE Special Assessment Administration

9.1 C-PACE Special Assessment Lien

A C-PACE Special Assessment created pursuant to the Pennsylvania C-PACE Statute, including the full C-PACE Financing, the Assessment and any interest or penalties accrued thereon, shall be recorded on deed

as a special assessment and shall be treated as a first and prior lien against the Property on which the C-PACE Financing is imposed from the date the C-PACE Statement of Levy and Lien Agreement is recorded until the C-PACE Special Assessment and all interest and penalties thereon are satisfied.

The **C-PACE Financing** has the same priority status as a lien for any other tax imposed by any agency, municipality or county of the Commonwealth of Pennsylvania and shall be treated as a tax imposed by any agency, municipality or county. The **C-PACE Financing** runs with the land and that portion of the C-PACE Special Assessment under the C-PACE Statement of Levy and Lien Agreement that has not yet become due is not discharged by foreclosure of a property. The **C-PACE Financing** cannot be accelerated or extinguished until fully repaid. The **C-PACE Financing** may be enforced by the County in the same manner as real property taxes within such County.

Repayment of the C-PACE Financing:

Repayment of the C-PACE Financing shall be made in accordance with the terms of the C-PACE Statement of Levy and Lien Agreement. The first repayment of an annual C-PACE Special Assessment shall be made on the date reflected on the Payment Schedule that is an Exhibit of the C-PACE Statement of Levy and Lien Agreement.

C-PACE Special Assessment will be collected by the Local Unit of Government using its present tax collection process, through a county tax claim bureau, the treasurer's office, locally elected tax collector or contracted third party tax collector. Notwithstanding the above, C-PACE Special Assessment can be subject to payment plans allowable for property taxes; each C-PACE Special Assessment payment must be paid in full on the relevant due date under Assessment Payment Schedule or will be considered delinquent. While partial payments of annual C-PACE Special Assessment payment may be accepted, such partial payments will be considered. Annual C-PACE Special Assessment payments will be added to the Property Owner's real estate tax bill or stand-alone bill as a separate line item.

The Program Administrator will maintain payments received from Local Units of Government in a segregated account and remit collected C-PACE Special Assessment, including any penalty or interest thereon, to the C-PACE Capital Provider pursuant to the terms of the C-PACE Statement of Levy and Lien Agreement. All payments received by the Program Administrator will be remitted to the Capital Provider within 10-days of receipt.

All other procedures related to the payment of the C-PACE Special Assessment, including remedies for delinquency and defaults, will be set forth in the C-PACE Statement of Levy and Lien Agreement applicable C-PACE Financing documentation. Nothing in the Program Guidelines may supersede or alter the terms and conditions contained in a C-PACE Statement of Levy and Lien Agreement entered into by and among a Local Unit of Government, a Property Owner and a C-PACE Capital Provider.

9.2 Delinquent C-PACE Special Assessment Collections

The C-PACE Special Assessment delinquency collection process is governed by the C-PACE Statute and Statement of Levy and Lien Agreement

Pursuant to the Pennsylvania C-PACE Statute Act 30 of 2018:

§ 4307. Lien.

(a) *General rule.* --An assessment under this chapter, including past due amounts and required future payments and any interest or penalties on the assessment:

(1) *shall be a first and prior lien against the real property on which the assessment is imposed from the date on which the notice of contractual assessment is recorded and until the assessment, interest or penalty is satisfied;*

(2) *shall have the same priority status as a lien for any other tax imposed by any agency, municipality or county of the Commonwealth and shall be treated as a tax imposed by any agency, municipality or county;*

According to Act 30 and the C-PACE Statement of Levy and Lien Agreement related to a subject Property, the C-PACE Special Assessment Lien on such Property will be enforced by the Delaware County in the same manner that a property tax lien against real property is enforced by Delaware County to the extent the enforcement is consistent with the laws of Pennsylvania.

Delinquent Annual C-C-PACE Installments will incur interest and penalties in the same manner as delinquent property taxes. Delinquent annual C-PACE Special Assessment payments may be enforced by Delaware County subject to Delaware County's present delinquent tax collection process or another process as determined by the assessor's office. In the event a delinquent C-PACE Special Assessment payment is enforced, the outstanding balance of the C-PACE Special Assessment will not accelerate.

Other events of default may occur if the Property Owner fails to adhere to other obligations specified in the C-PACE Statement of Levy and Lien Agreement.

A C-PACE Statement of Levy and Lien Agreement may be transferred to a Property Owner upon sale or transfer of the Eligible Property during the term of a C-PACE Statement of Levy and Lien Agreement. The process and requirements for transfer of the C-PACE Statement of Levy and Lien Agreement are specified in the C-PACE Statement of Levy and Lien Agreement ([See Appendix D](#))

9.3 Conclusion of C-PACE Statement of Levy and Lien Agreement

Once the C-PACE Financing has been repaid in full according to the terms of said Agreement, payment of the C-PACE Special Assessment will cease, and the Program Administrator will record a termination of the C-PACE Statement of Levy and Lien Agreement with the appropriate local government register of deeds.

10.0 Mortgage/Lien Holder Consent

All Property Owners must provide written notice of their intent to participate in the C-PACE Program to the holders of any existing mortgages, security interests in, or other encumbrance of the real property that secures a current, future, or contingent payment obligation. The C-PACE Capital Provider must submit all executed Mortgage/Lien Holder Consent acknowledgment to the Program Administrator for approval prior to Final Application approval. The purpose of the Mortgage/Lien Holder Consent is to:

- Provide notice to the mortgage holder that the Property Owner is proposing the Eligible Property participate in Pennsylvania C-PACE and obtain the mortgage holder's consent to such participation;
- Request confirmation from the Mortgage Lender that the levy of the C-PACE Special Assessment, subject to the C-PACE Statement of Levy and Lien Agreement will not trigger an event of default nor the exercise of any remedies under the mortgage loan documents or other security documents held by the lienholder;
- Advise the mortgage holder or lienholder that the C-PACE Financing will be repaid in installments collected pursuant to the terms of the C-PACE Statement of Levy and Lien Agreement subject to the same penalties, remedies and lien priorities as a special assessment. Additionally, provide notification that the mortgage holder or lienholder's lien will be subordinate to the C-PACE Special Assessment.
- Advise the mortgage holder or lienholder of the maximum amount of the C-PACE Financing and the maximum annual assessment amount necessary to repay the maximum C-PACE Financing.
- Advise the mortgage holder or lienholder that the Local Unit of Government, or its permitted assignee, can enforce the C-PACE Assessment in the same manner as a property tax if the C-PACE Special Assessment is not paid.

The Program Administrator recommends that the Property Owner consult with its C-PACE Capital Provider before they approach an existing mortgage holder. Many traditional lenders are not familiar with C-PACE lending and would benefit from an explanation of how it works. The C-PACE Capital Provider may find it helpful to inform mortgage holder(s) that in the event of a delinquent C-PACE Special Assessment payment, the full balance of the Assessment will not accelerate, and only the payment of delinquent amounts of the C-PACE Financing will be enforced. Further, Property Owners can point out that C-PACE-financed projects generally increase the value of the Mortgage Lender's collateral. Property owners are encouraged to include the C-PACE Capital Provider in the meeting with the Mortgage Holder.

A copy of the Mortgage/Lien Holder Consent template can be found in [Appendix K](#).

11.0 Retroactive Projects

Completed installations of eligible C-PACE Projects are eligible for retroactive C-PACE Financing. Retroactive C-PACE financings are C-PACE Financings that close after the Property Owner completes the installation of Energy Conservation Measure(s). Retroactive Projects must satisfy the same requirements as other C-PACE Projects. However, the Program Administrator recognizes that a Property Owner may not have been aware of C-PACE programs when undertaking a project that would have been eligible.

Another situation that justifies Retroactive C-PACE Financings is a new construction project, which begins with a short-term construction phase (up to 24 months) financed by a construction loan, followed by long-term permanent loan that refinances the construction loan. Typically, Property Owners can access permanent financing only after completion and stabilization of the project. C-PACE Financing is eligible at both phases. If the C-PACE Financing is put in place at the closing of the permanent loan, it is considered a Retroactive Project.

Property Owners with retroactive C-PACE Projects may apply to Pennsylvania C-PACE to be approved for C-PACE Financing. Retroactive C-PACE projects are subject to the following additional requirements:

- 1) All such retroactive C-PACE financings for New Construction or Substantial Renovation must occur after August 11, 2018 (60 days after the Pennsylvania C-PACE Statute was enacted on June 12, 2018) and within 730 days after the completion of the installation/construction.
- 2) For any such retroactive C-PACE Project, the term of the C-PACE Financing will be reduced to account for any of the Energy or Water Conservation Measure's estimated useful life that has elapsed between the time of installation and the close of a C-PACE Financing. For example, if a C-PACE Financing is funded one year after installation of the ECM(s) project, the eligible term of the financing will be reduced by one year.

Required Documentation

Verification is required to establish prior conditions (baseline) and describe the new ECM installed in any such retroactive C-PACE project. The ECM Survey for a retroactive C-PACE Project shall include additional documentation that provides evidence of installation of the ECM(s) that are the subject of the C-PACE Project, as follows:

- Completion Date for the ECM(s) that are subject to the C-PACE Project;
- Make and model of equipment replaced – (describe the baseline);
- Documentation that provides evidence of equipment installed prior to replacement;
- Make and model of ECM(s) that are the subject of the retroactive C-PACE project;
- Documentation that provides evidence of installation of new ECM(s).

Please contact Program Administrator to discuss ECM eligibility with respect to baseline code at the time of installation.

12.0 Release and Indemnification

- The Program Administrator does not provide legal advice and will not mediate any disputes between any participants in Pennsylvania C-PACE, including but not limited to, Property Owners of Eligible Properties and their tenants, C-PACE Capital Providers, Qualified Contractors, energy service companies, and utilities.
- In addition to other designated and implied responsibilities in the C-PACE Program, Applicant is responsible for reviewing the terms, conditions, and obligations implied by the C-PACE Statement of Levy and Lien Agreement, as well as the terms of any supplemental agreements with the C-PACE Capital Provider and all agreements with Qualified Contractors, Qualified Engineering Professionals, and any other parties to the project.

- When approving an installation contractor as a Qualified Contractor, the Program Administrator conducts a limited review of the company, including review of professional licenses held by the contractor. Property Owner should not rely on Program Administrator's approval of a Qualified Contractor as assurance of the Qualified Contractor's qualifications. Property Owner is responsible for conducting its own due diligence, including but not limited to consideration of finances, performance, and pricing, before selecting a contractor.
- The Program Administrator does not provide any accounting advice regarding how a Property Owner should treat the C-PACE Financing in their books and records.
- The Program Administrator has the right to review all projects for eligibility and may approve C-PACE Projects for C-PACE Financing according to the standards and criteria set forth in the Program Guidelines.
- Pennsylvania C-PACE and the Local Unit of Government retain ultimate discretion whether to approve a C-PACE Financing and enter into a C-PACE Statement of Levy and Lien Agreement to levy a C-PACE Special Assessment against an Eligible Property.
- C-PACE Capital Providers are prohibited from releasing, and installation contractors are prohibited from receiving, final payment for a C-PACE Project until the required parties have duly executed a Certificate of Completion and the Program Administrator has accepted the Certificate of Completion.
- The Local Unit of Government and Program Administrator:
 - Do not endorse any particular C-PACE Capital Provider, Qualified Contractor, Qualified Engineering professional, engineering firm, manufacturer, product, or system design by this offering.
 - Are not responsible for any tax liability imposed on the recipient as a result of the payment.
 - Make no representation or warranty, and assume no liability with respect to the quality, safety, performance, or other aspect of any design, consulting, product, system, equipment, or appliance installed or received and expressly disclaim any such representations, warranties, and liability, including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose. Please contact your contractor for detailed manufacturer equipment warranties.
 - Do not guarantee that installation and operation of energy efficient equipment will result in reduced usage or in cost savings to a Property Owner or any occupants of an Eligible Property.
 - Are not responsible for the proper disposal/recycling of any waste generated as a result of this project
 - Are not liable for any damages, including any incidental or consequential damages, arising out of the operation or malfunction of the products, equipment, or appliances, or the installation thereof related to a C-PACE Project.
 - Unless notified in writing, Program Administrator reserves the right to publicize participation in the program.
 - Upon reasonable notice period a Program Administrator representative may schedule a site visit to verify that qualified products, systems, equipment, or appliances were installed.

Appendix A: Commonwealth of Pennsylvania C-PACE Statute Act 30 of 2019

COMMERCE AND TRADE (12 PA.C.S.) - PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Act of Jun. 12, 2018, P.L. 198, No. 30

Cl. 12

Session of 2018

No. 2018-30

SB 234

AN ACT

Amending Title 12 (Commerce and Trade) of the Pennsylvania Consolidated Statutes, authorizing assessments for energy improvements in districts designated by municipalities.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 12 of the Pennsylvania Consolidated Statutes is amended by adding a chapter to read:

CHAPTER 43

PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Sec.

- 4301. Purpose.
- 4302. Definitions.
- 4303. Establishment of a program.
- 4304. Notice to lien holder required for participation.
- 4305. Scope of work.
- 4306. Notice.
- 4307. Lien.
- 4308. Collection of assessments.
- 4309. Bonds.
- 4310. Joint implementation.

§ 4301. Purpose.

This chapter authorizes the establishment of a property assessed clean energy program in the Commonwealth to ensure that owners of agricultural, commercial and industrial properties can obtain low-cost, long-term financing for energy efficiency, water conservation and renewable energy projects.

§ 4302. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Alternative energy system." Energy generated from alternative energy sources as defined under the act of November 30, 2004 (P.L.1672, No.213), known as the Alternative Energy Portfolio Standards Act. In addition to these energy sources, programs may recognize alternative energy sources not included

in the Alternative Energy Portfolio Standards Act when approving qualified project applications.

"Assessment." A charge against the real property within a district which is levied and collected by the county or municipality that establishes the district.

"Bond." The term includes any public or private financing note, mortgage, loan, deed of trust, instrument, refunding note or other evidence of indebtedness or obligation used to finance a qualified project.

"Business." A corporation, partnership, sole proprietorship, limited liability company, business trust or other commercial entity.

"Clean energy project." A project which does any of the following:

(1) Replaces or supplements an existing energy system that utilizes nonrenewable energy with an energy system that utilizes alternative energy.

(2) Facilitates the installation of an alternative energy system in an existing building or a major renovation of a building.

(3) Facilitates the retrofit of an existing building to meet high-performance building standards.

(4) Installs equipment to facilitate or improve energy conservation or energy efficiency, including heating and cooling equipment and solar thermal equipment.

"District." An area or group of real properties within a municipality or county, designated by the municipality or county for the purpose of establishing a property assessed clean energy program.

"Financial institution." Any person who in the ordinary course of business extends credit based on a lien, mortgage or security interest in real property or an encumbrance of real property or relies upon a lien, mortgage or security interest in real property or an encumbrance of real property to secure a current, contingent or future payment obligation. The term includes, but is not limited to, the following:

(1) A bank, savings association, trust company, credit union or a subsidiary or affiliate of a bank, savings association, trust company or credit union.

(2) A person engaged in the mortgage lending business subject to or exempt from licensing under 7 Pa.C.S. Ch. 61 (relating to mortgage loan industry licensing and consumer protection).

(3) A person subject to or exempt from licensing under the act of February 19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and Registration Act.

(4) A person registered as a management company or unit investment trust or treated as a business development company under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.) or is excluded from registration under the Investment Company Act of 1940.

(5) An insurance company.

(6) A pension or employee health and welfare fund.

(7) An association engaged in construction or the development or improvement of real property.

(8) A condominium or cooperative association or planned community association.

(9) A Federal, State or local agency, authority or an instrumentality of a government entity that is engaged in the financing or supports the financing of real estate development or the purchase or improvement of real estate.

"Local financing." A bond provided or facilitated by a municipality, county, district, economic development corporation, related authority or any government-sponsored entity. This term does not include general obligation bonds.

"Owner financing." A bond provided by a real property owner or a third-party provider. This term may include a power purchase agreement.

"Power purchase agreement." A financial arrangement in which a third party owns, operates and maintains a permanently affixed energy generation unit for a property owner and the property owner purchases power from the third party at agreed-upon rates in the arrangement. The third party would have the ability to finance its equipment acquisitions with an assessment under a property assessed clean energy program.

"Program." A property assessed clean energy program established under this chapter.

"Property assessed clean energy program." A means of financing qualified projects in a district through an assessment.

"Qualified party." A contractor or subcontractor that meets the following standards:

(1) Possesses all technical qualifications and resources, including equipment, management, technical and craft labor personnel, and financial resources necessary to perform the contracted responsibilities, or will obtain the contracted responsibilities through the use of qualified subcontractors.

(2) Possesses all valid, current licenses, registrations or other certificates required for the contractor or its employees by Federal, State or local law necessary for the type of work required for the project.

(3) Does not have any outstanding liability to the locality in the form of tax obligations, fines or other fees, unless the contractor or subcontractor has entered into and is in compliance with a payment agreement with the locality for such taxes, fines or fees.

(4) Meets all bonding requirements, as required by applicable law or contract specifications, and all insurance requirements as required by applicable law or contract specifications, including general liability insurance, workers' compensation insurance and unemployment insurance requirements.

"Qualified project." The installation or modification of a permanent improvement fixed to real property that is a clean energy project, water conservation project or alternative energy system, which generates measurable energy savings or reductions in water usage and the installation is performed by a qualified party in a district. The term includes installation of alternative energy-generating equipment affixed to the land or building.

"Real property." Any agricultural, commercial or industrial land or building owned by an individual, partnership, limited liability corporation, corporation or nonprofit. The term does not include multifamily housing or any residential property.

"Water conservation project." A project that reduces the usage of water or increases the efficiency of water usage.

§ 4303. Establishment of a program.

The following apply:

(1) A municipality with a community or economic development department or county may establish a property assessed clean energy program by adopting an ordinance or resolution that will establish the program, define the district and provide other operational standards and guidelines, which shall include, but not be limited to, the following:

(i) Require all clean energy projects to comply with national energy efficiency standards.

(ii) Develop criteria and procedures to determine the eligibility of real property and owners for participation in a program.

(iii) Other measures as needed to satisfy the requirements of this chapter or to ensure that a program is effective, efficient and fair to property owners.

(2) A county that establishes a program must notify any municipality that may be in the district of their possible inclusion before a resolution establishing a program is approved. A municipality or county may contract with a third party to administer the program.

§ 4304. Notice to lien holder required for participation.

Before real property may be subject to an assessment under the program and begin a local financing or an owner financing of a qualified project, the following shall occur:

(1) Any financial institution holding a lien, mortgage or security interest in or other encumbrance of the real property that secures a current, future or contingent payment obligation must be given written notice of the real property owner's intention to participate in the program and acknowledge in writing to the property owner and municipality or county that established the program that they have received such notice.

(2) Any financial institution required to be given notice under paragraph (1) must provide written consent to the property owner and municipality or county that established the program that the property may participate in the program.

§ 4305. Scope of work.

(a) Requirement.--A program shall require for each proposed qualified project a scope of work, energy baseline or water usage baseline and the projected energy savings or water usage reductions in order to establish the viability of the qualified project and the projected energy savings or water usage reductions.

(b) Verification of completion.--After a qualified project is completed, the municipality or county shall obtain verification from the real property owner and from an independent professional inspector or building code official that the qualified project was properly completed.

§ 4306. Notice.

(a) Notice.--A municipality or county that establishes a program shall post online and make available to the public a notice of each qualified project financed through an assessment.

(b) Contents of notice.--The notice under subsection (a) must contain:

- (1) The legal description of the property.
- (2) The name of each property owner.
- (3) The total amount of the qualified project and a complete description of the qualified project.
- (4) The assessment needed to satisfy the bond.
- (5) A reference to the statutory assessment lien provided under this chapter.
- (6) The financing rate on the bond, the total amount of the bond financing and any financing charges associated with the bond.

§ 4307. Lien.

(a) General rule.--An assessment under this chapter, including past-due amounts and required future payments and any interest or penalties on the assessment:

(1) shall be a first and prior lien against the real property on which the assessment is imposed from the date on which the notice of contractual assessment is recorded and until the assessment, interest or penalty is satisfied;

(2) shall have the same priority status as a lien for any other tax imposed by any agency, municipality or county of the Commonwealth and shall be treated as a tax imposed by any agency, municipality or county;

(3) must be recorded with the title, including all information required under section 4306 (relating to notice), until the lien is discharged; and

(4) may be discharged, compromised or abated in the same manner as delinquent property tax obligations.

(b) Lien.--The lien runs with the land and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien. The assessment cannot be accelerated or extinguished until fully repaid.

(c) Enforcement.--The assessment lien may be enforced by the municipality or county in the same manner that a property tax lien against real property may be enforced by the municipality or county to the extent the enforcement is consistent with the laws of this Commonwealth.

(d) Delinquency charge.--Delinquent installments of the assessments incur interest and penalties in the same manner as delinquent property taxes.

(e) Costs and expenses.--A municipality or county may recover costs and expenses, including attorney fees, in a suit to collect a delinquent installment of an assessment in the same manner as in a suit to collect a delinquent property tax.

§ 4308. Collection of assessments.

The following apply:

(1) The governing body of a municipality or county that establishes a district is required to collect the assessments for that district using their present tax collection process and remit for payment of the local financing or owner financing.

(2) The assessment shall be made only upon the real property whose owner has executed a written agreement with the governing body agreeing to the assessment.

(3) Proceeds may only be used to fund a local financing or an owner financing and lasts only for the term of the local financing or owner financing.

§ 4309. Bonds.

(a) Issuance.--Local financing or owner financing may be used to issue bonds to finance qualified projects.

(b) Restrictions.--Bonds issued under this chapter may not be general obligations of the municipality or county.

(c) Use of proceeds.--Funds generated from the issuance of a bond may only be used for the following purposes:

(1) Design, engineering and project development costs of a qualified project.

(2) Infrastructure related to and necessary for a qualified project.

(3) Purchase and installation cost of any equipment needed for a qualified project.

(4) Payment of normal and customary issuance and closing fees of a bond.

(5) Normal and customary administrative fees necessary to continue operations of the municipal or county financing agency. The fees can include, but are not limited to, audits and application fees.

§ 4310. Joint implementation.

Any combination of municipalities or counties may agree to jointly implement or administer a program under this chapter.

Section 2. This act shall take effect in 60 days.

APPROVED--The 12th day of June, A.D. 2018.

TOM WOLF

Appendix B: Delaware County C-PACE Resolution

[See Attached]

**COUNTY OF DELAWARE
COMMONWEALTH OF PENNSYLVANIA
RESOLUTION NUMBER 2021-2**

**APPROVAL OF THE ESTABLISHMENT OF A COMMERCIAL
PROPERTY ASSESSED CLEAN ENERGY PROGRAM**

WHEREAS, Title 12 of the Pennsylvania Consolidated Statutes, 12 Pa.C.S.A. § 4301, *et seq.*, as amended, authorizes counties to establish a Commercial Property Assessed Clean Energy program (“Program”); and

WHEREAS, 12 Pa.C.S.A. § 4303 authorizes a county to establish a Program by adopting a resolution establishing a Program, defining an area or group of real properties designated for the purpose of establishing a Program (the “District”) and provide other operational standards and guidelines; and

WHEREAS, the County Council of the County of Delaware, Pennsylvania (the “County”) previously stated its intent to establish a Program for a District consisting of the entire County and requesting notices of such intent (the “Notices”) to be sent by the County Clerk to all municipalities in the County of their possible inclusion in such District; and

WHEREAS, such Notices have been sent by the County Clerk as directed by Council; and

WHEREAS, County Council desires to establish a Program for a District consisting of the entire County; and

WHEREAS, the PP&L Sustainable Energy Fund Inc. (the “Sustainable Energy Fund”) is a Pennsylvania nonprofit entity with a mission to promote, research, and invest in clean and renewable energy technologies, energy conservation, energy efficiency and sustainable energy enterprises that provide opportunities and benefits; and

WHEREAS, the Sustainable Energy Fund has been a leader in developing program guidelines that can be used statewide in establishing a Program and can perform the role of Program Administrator for an established Program; and

WHEREAS, County Council desires the County to enter into a Cooperation Agreement with Sustainable Energy Fund for the administration of the Program established hereby;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF DELAWARE COUNTY, PENNSYLVANIA that:

1. A property assessed clean energy program shall be hereby established in the County and shall be known as the “Delaware County C-PACE Program”.
2. County Council hereby designates the entire County as the District (as defined in 12 Pa.C.S.A. § 4302).
3. The Sustainable Energy Fund is hereby appointed to administer the Delaware County C-PACE Program in accordance with the Cooperation Agreement.

4. County Council hereby authorizes the County Executive Director to: (1) negotiate and execute the Cooperation Agreement; (2) approve any qualified project to be financed under the Delaware County C-PACE Program and (3) execute any and all other necessary documents as may be required to facilitate the successful implementation of the Delaware County C-PACE Program and the financing of any qualified project under the Delaware County C-PACE Program (including any statement of levy and lien); subject in each case to County Solicitor's approval.

5. County Council hereby authorizes the County Chief Sustainability Officer to provide operational standards and guidelines for the Delaware County C-PACE Program in accordance with 12 Pa.C.S.A. § 4303 and to take any other necessary actions to facilitate the successful implementation of the Delaware County C-PACE Program.


6. County Council hereby approves, ratifies and confirms all action heretofore taken by its officers, its designated representative or representatives, and other persons on its behalf in connection with the undertakings herein contemplated, to the extent not inconsistent with this Resolution.

7. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of County Council that such remainder shall be and shall remain in full force and effect.

8. All prior resolutions or parts of prior resolutions that are inconsistent with this Resolution are hereby repealed.

ADOPTED by the County Council of the County of Delaware, Pennsylvania, this 17th day of March, 2021.

BY: DELAWARE COUNTY COUNCIL



Brian P. Zidek, Chair

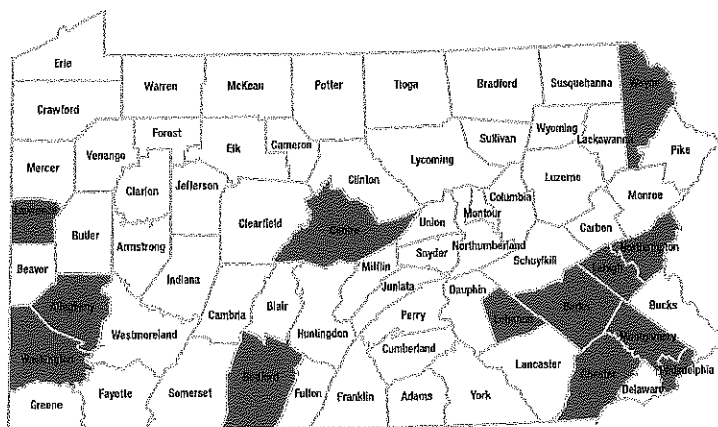
ATTESTED: 

ANNE COOGAN, County Clerk

PA C-PACE

PROPERTY ASSESSED CLEAN ENERGY

Commercial Property Assessed Clean Energy (C-PACE) was enabled in Pennsylvania in the summer of 2018 through Senate Bill 234. The legislation authorizes local governments to establish a C-PACE program for building owners to obtain low-cost, long-term financing for energy efficiency, water conservation and renewable energy projects. To date thirteen counties have adopted C-PACE.



HOW C-PACE WORKS:

- Setup by local government, managed by program administrator
- Owners receive funding for projects from private capital providers
- Lien is senior to existing mortgage, on par with property taxes
- Mortgage/Lien holder consent
- Annual special assessment that transfers on sale and does not accelerate

PROGRAM ADMINISTRATION:

The administration of C-PACE includes the evaluation of C-PACE Projects according to the C-PACE Program Guidelines and the collection of the annual C-PACE Special Assessment by the local unit of government. Evaluation of C-PACE Projects can be performed by a third-party Program Administrator on behalf of the local unit of government.

SUSTAINABLE ENERGY FUND (SEF) has the financial, technical and programmatic staff. If selected as a program administrator, SEF will use its financial and technical staff to ensure proposed projects meet approved program guidelines. It's programmatic and marketing staff will promote the program to commercial, industrial, and agricultural businesses, contractors, financial institutions, and C-PACE capital providers.

SUSTAINABLE ENERGY FUND (SEF) is a nonprofit 501(c)(3) dedicated to assisting energy users in overcoming barriers to a sustainable energy future. SEF was created through a settlement during electric deregulation as a result the SEF's Board of Directors and any Bylaw changes are approved by the Pa PUC, and SEF submits an annual financial audit and annual report to the Pa PUC.

Appendix C: Eligible C-PACE Clean Energy Projects

The following non-exhaustive list of Energy Conservation Measures (ECM) and Renewable Energy Improvements is intended as a reference list for Pennsylvania C-PACE applicants and can change at any time. If not included on this list or the Pennsylvania Public Utility Commissions Technical Resource Manual, the Program Administrator will review the proposed ECM(s) and accept them on a case-by-case basis.

Energy Saving measures:

- High efficiency lighting and/ or lighting sensors and controls.
- Heating ventilation air conditioning (HVAC) upgrades
- New automated building, lighting and HVAC controls
- Variable speed drives (VSDs) on motors fans and pumps
- Variable frequency drives, energy recovery ventilators (ERV), heat recovery ventilators (HRV), demand control devices, including energy storage systems
- High efficiency chillers
- High efficiency boilers and furnaces
- High efficiency heat pumps (suitable for use in a cold climate zone)
- High efficiency hot water heating systems
- Geothermal energy/ geoexchange
- Combustion and burner upgrades
- Fuel switching resulting in an overall reduction in the number of BTUs required to achieve a given end use
- Heat recovery and steam traps
- Building enclosure/envelope improvements, including insulation, air sealing, window retrofit, and window replacement
- Building automation (energy management) systems
- New automated process controls
- Heat recovery from process air and water
- Cogeneration ~~used for peak shaving~~
- Process equipment upgrades
- Process changes

Renewable Energy Production

- Solar photovoltaic power
- Solar thermal

- Wind Power
- Fuel Cell
- Methane Gas from landfills
- Methane gas from anaerobic digestion
- Low emission advanced control technologies:
- Sustainable Biomass Facility used for heating and/or generation

Water Saving Measures

Domestic water use can be impacted greatly by recalibration of toilets and urinals, or replacement with low-flow toilets and waterless urinals

- Adding aerators to faucets or installation of new faucets in kitchens and bathrooms
- Commercial kitchens can save water through the replacement of pre-rinse valves, dishwashers, and icemakers.
- Laundry equipment in commercial properties; laundromats can save significant amounts of water with upgraded equipment.
- Condensate water reuse for cooling towers, for steam boilers, irrigation, evaporative coolers, industrial laundry, decorative water features, water cooled equipment, and air conditioners.
- Industrial water consumption from car washes, film and x-ray processing, and high-tech manufacturing can be reduced through the installation of equipment involved in each specific process/facility.
- Replacement of Toilets with low-flow toilets and/or waterless urinals
- Installation of new faucets that have reduced waterflow
- Replacement of pre-rinse valves, dishwashers, and icemakers in commercial kitchens
- Condensate water reuse for cooling towers, for steam boilers, irrigation, evaporative coolers, industrial laundry, decorative water features, water cooled equipment and air-conditioners.
- Implementing processes or equipment, that demonstrates water savings of 25% or more including:
 - Hot water recirculation systems using circulating pumps
 - Cooling tower conductivity controllers
 - Demand-initiated hot water systems
 - Filter upgrades
 - Deionization
 - Recycled water sources

Ineligible Measures

The following items will not be considered as eligible ECM under the Program Administrator program:

- Measures that are not permanently attached to the subject property or building and which can be easily removed;
- Screw in Compact fluorescents;
- Plug load devices;
- Measures that save energy solely due to operational or behavioral changes;
- Any measure that cannot be explained in terms of industry-standard engineering or scientific principles;
- Any measure that is not yet commercially available. Commercially available items are defined as goods, services or items that have been offered for sale, lease, or license to the general public through the commercial marketplace;
- Vending machine controllers;
- Refrigerant charge (AC/Split Systems/Heat Pumps).

Appendix D: C-PACE Statement of Levy and Lien Agreement

[See Attached]

Prepared By: Return to: Parcel #: 	For Recorder's Use Only
---	-------------------------------

STATEMENT OF LEVY AND LIEN AGREEMENT
COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY

THIS STATEMENT OF LEVY AND LIEN AGREEMENT (“the Agreement”) is dated this [] day of [], 2020 (the “Effective Date”) by and between the County of Delaware, Pennsylvania (the “County”), [PROPERTY OWNER] (the “Property Owner”) and [CAPITAL PROVIDER] (the “Capital Provider”).

RECITALS

WHEREAS, the commercial property assessed clean energy (“C-PACE”) program facilitates loan financing for clean energy or water conservation improvements to commercial properties utilizing an assessment mechanism to provide security for repayment of the loan.

WHEREAS, 12 Pa.C.S.A. §4301 et seq., authorizes the establishment of a C-PACE program to ensure that owners of agricultural, commercial and industrial properties can obtain low-cost, long-term financing for energy efficiency, water conservation and renewable energy projects.

WHEREAS, the County, pursuant to 12 Pa. C.S.A. §4303, has established the Delaware County C-PACE Program (“the Program”) via Resolution 2021-2 approved by the County Council on March 17, 2021, and attached hereto and incorporated herein as Exhibit A.

WHEREAS, the County has entered into a Cooperation Agreement with the Sustainable Energy Fund (“SEF”) to serve as the Program Administrator of the Program (the “Program Administrator”).

WHEREAS, Property Owner owns real property located at [ENTER ADDRESS], Delaware County, Pennsylvania, described in Exhibit 1 to Exhibit C, attached hereto and incorporated herein (the “Property”).

WHEREAS, in accordance with the requirements of the Program, Property Owner proposes to renovate or retrofit the Property to increase energy efficiency, water conservation, or to install a renewable energy system to service the Property (the “Project”).

WHEREAS, Property Owner has applied for and has been approved by Capital Provider for financing for the Project, memorialized in the Memorandum Summary of the C-PACE Financing Agreement. and attached as Exhibit C (the “Memorandum”).

WHEREAS, the Capital Provider and Property Owner desire the County to collect and receive for the benefit of Capital Provider the sums payable under the C-PACE Financing Agreement further described on Exhibit C by (i) levying a voluntary special assessment against the Property (the “Assessment”) and (ii) remitting the sums collected and any applicable fees and interest due pursuant to such C-PACE Financing Agreement, to the Program Administrator, or its authorized assignee.

NOW, THEREFORE, the County, Property Owner, and Capital Provider (collectively referred to as the “Parties”) do hereby agree as follows:

Section 1. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular the plural and the part the whole and “or” has the inclusive meaning represented by the phrase “and/or”. References in this Agreement to Delaware County and County shall be interchangeable. The words “hereof”, “herein”, “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not any particular provision of this Agreement. The section and other headings contained in this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation hereof in any respect. Section and subsection references are to this Agreement unless otherwise specified. Terms defined in the recitals hereto shall have the meanings set forth therein.

Section 2. Levy of Assessment. As of the effective tax year [YEAR] upon receipt of the Notice To Delaware County To Commence Collection Of Assessment For C-Pace Program (the “Notice”), the form of which is attached as Exhibit E, and during the Term, the Assessment, which runs with the land with respect to the Property, will be added to the Property’s Tax Bill on account #[ENTER PROPERTY TAX ID] by the County. Property Owner agrees that the Assessment will be included on the Property’s Tax Bill and agrees to pay the Assessment and the County’s and Program Administrator’s administrative costs through the Assessment which is due and payable on the same date as the Property’s Tax Bill.

The amount of the Assessment, as determined by the Capital Provider, is as follows: an installment payment plan is in effect and is based on the principal amount financed \$ [AMOUNT], with interest thereon at a fixed rate equal to [INTEREST RATE]% per annum, plus (a) any capitalized interest, (b) any additional fees and expenses agreed upon in the C-PACE Financing Agreement and (c) fees and costs of the Program Administrator, and County, as set forth in its Pennsylvania C-PACE Program Guidelines, with installments of principal and interest due and payable pursuant to the C-PACE Special Assessment Payment Schedule attached hereto as Exhibit D. Notwithstanding the foregoing, the amount financed may include additional costs and

fees which will be paid to the County at the time of closing which amounts are separate and apart from the Assessment. The Capital Provider and the Program Administrator have disclosed to the Property Owner the costs and risks associated with participating in the C-PACE Program, including risks related to the failure of the Property Owner to pay the Assessment provided for in this Agreement and such other documents and agreements governing Property Owner's participation in the Program. As evidenced in Exhibit D, the Term will be [YEARS] years. Program Administrator, its successors, or its permitted assignees must submit a request for collection of each Assessment amount to the County no later than 60 days prior to the County tax billing day of each year. Program Administrator, on a yearly basis, shall provide the County with a reminder on this and other Assessments by [DATE] of each year. In the event the Program Administrator ceases to act as the Program Administrator and there is no successor, then the Capital Provider may submit the request for collection of the Assessment amount to the County, through the County Treasurer's Office, prior to [DATE] of each year.

Section 3. Assessment Billing, Collection and Disbursement to Capital Provider.

The County agrees to collect the Assessment and payment will be enforced in the same manner that a property tax lien against real property is enforced in the local unit of government; provided, that if less than the full amount due is received, payments will be first applied to County taxes, fees and penalties then due and payable before being applied to the Assessment. Assessment payments received by the County shall be remitted to Program Administrator no later than 30 days after the end of the month in which the County receives said payments. The Program Administrator shall remit payment to the Capital Provider within 10 business days (Monday-Friday). In the event Program Administrator ceases to act as the Program Administrator and there is no successor Program Administrator then serving, the County hereby agrees to forward the payments to the Capital Provider within 30 days after the end of the month in which the payments are received by the County. The Capital Provider shall have a contractual lien on any Assessment payments made by the Property Owner, regardless of whether such Assessment payments may be in the possession of the County, the Program Administrator, or their designees, and may, consistent with this Agreement, assign such lien to a third-party.

Section 4. Collections. The Parties hereby acknowledge that the Assessment and any accrued interest and/or penalties constitute a first lien on the Property that has priority over prior or subsequent liens in favor of private parties, and that the Assessment will continue as a lien on the Property from the date it becomes payable until the unpaid Assessment, all interest and penalties on the Assessment are paid in full, regardless of a change in ownership of the Property, whether voluntary or involuntary.

Section 5. Delinquencies.

5.1 Notice. In the event Property Owner fails to make an Assessment payment when due, the County, pursuant to the Agreement, shall provide written notice to Program Administrator, its successors, of such delinquency within thirty (30) days. In the event Program Administrator ceases to act as the Program Administrator and there is no successor, the County hereby agrees to provide written notice to Capital Provider of any delinquency within thirty (30) days.

5.2 Enforcement. The Parties hereby acknowledge and agree that an overdue Assessment will be enforced in the same manner that a property tax lien against a real property is enforced. The delinquent Assessment shall incur interest and penalties in the same manner as delinquent

property taxes. The County may recover costs and expenses, including attorney fees and costs, in a suit to collect a delinquent Assessment in the same manner as in a suit to collect a delinquent property tax. Funds collected by the County for the payment of the overdue Assessment, including any penalties and interest, shall be paid to Program Administrator, its successors, or its permitted assignees no later than thirty (30) days after the end of the month in which the amounts are received. In the event there is no Program Administrator serving, the County hereby agrees to remit all funds it collects for the payment of the overdue Assessment, including the penalties and interest due to the Capital Provider as outlined in the C-PACE Financing Agreement, to Capital Provider no later than thirty (30) days after the end of the month in which the County receives said funds.

5.3 Interest and Penalties. Interest assessed and collected on delinquencies shall be forwarded to the Capital Provider through the Program Administrator within thirty (30) days after delinquent interest payment is received.

5.4 Continuation of Future Assessments. The portion of the annual assessment determined by the assessment term stipulated in C-PACE Special Assessment Payment Schedule (Exhibit D) that has not yet become due is not eliminated by foreclosure of a property tax lien.

5.5 Acceleration. The Assessment cannot be accelerated nor extinguished until fully repaid.

Section 6. Amendment of Assessment. In the event that the Property Owner wishes to prepay the assessment in part, the Property Owner must submit a request for partial prepayment no later than thirty days prior to the Cutoff Date, as defined below. Within seven days of receipt of a prepayment request, the Capital Provider shall provide a payoff statement to the Property Owner and the Program Administrator, showing the effective date of the prepayment (the "Payoff Date"), the amount of the prepayment, including principal, accrued but unpaid interest, and any prepayment premium, and shall contain an amendment to the Special Assessment Payment Schedule (an "Amendment"). Receipt of any prepayment funds by the County, the Program Administrator, or the Capital Provider shall constitute evidence of Property Owner's consent to the Amendment. The prepayment funds must be received by the Payoff Date, which shall be no later than [DATE] of the prior year in which the next payment is due (the "Cutoff Date"). Program Administrator shall forward any Amendment of the Special Assessment Payment Schedule that it receives from Capital Provider to the County. Upon receipt of an Amendment, the County shall amend the Assessment to reflect the adjustment and file the Amendment of the Special Assessment Payment Schedule on the property records of the Property. In the event there is no Program Administrator serving the county, the Capital Provider may submit an Amendment directly to the County, through the Office of Treasure, no later than [DATE] of the year in which the next payment is due and the County shall amend the Assessment to reflect the adjustment and file the Amendment of on the property records of the Property.

Section 7. Memorandum. The Memorandum includes (a) the legal description of the property; (b) the name of each property owner; (c) the total amount of the of the qualified project and a complete description of the qualified project; (d) the assessment (annual payment) needed to satisfy the financing; (e) a reference to the statutory assessment lien; (f) the financing rate; (g) the total amount of financing; (h) any finance charges associated with the financing; (i) method for calculating any late fees.

Section 8. Capital Provider Lien on Assessments. To the extent permitted by law, the Capital Provider has a legal interest in Assessment payments made by the Property Owner, regardless of where such payments are held. The Capital Provider may, to the extent permitted by law, grant to one or more third parties a security interest in Capital Provider's interest in such Assessment payments; such grant shall not require the consent of any other Party.

Section 9. Change in Property Ownership. Upon change in ownership of the Property that occurs after the date of recordation of the Agreement, all Assessment obligations as set forth herein are the responsibility of the new property owner. To the extent that Assessment obligations became due and payable prior to the change in ownership, such Assessment obligations may be apportioned by the buyer and seller in the same way as real property taxes, or in any other manner not inconsistent with federal, state, or local law. The Assessment runs with the land and the original property owner is released from all Assessments at time of sale, which shall become the responsibility of the new property owner.

Section 10. Assignment. The County may not assign or transfer its rights or obligations under this Agreement without prior written consent of Property Owner and Capital Provider. Capital Provider may not assign any or all its rights arising under this Agreement without providing forty-five (45) days' notice to the County, and Program Administrator. The County has thirty (30) days from receipt of Capital Provider's notice to provide written objection to the transfer but the assignment shall not be unreasonably withheld, conditional or delayed. The Capital Provider may provide a response within the forty-five (45)-day window to any objection. Assignment may be included in the Financing Agreement with the Property Owner. The Capital Provider shall provide the Property Owner with forty-five (45) days' notice of assignment. The Property Owner has thirty (30) days to provide written objection to the transfer but the assignment shall not be unreasonably withheld, conditional or delayed. The Capital Provider may provide a response within the forty-five (45)-day window to any objection. Notwithstanding anything to the contrary contained in this Agreement, Capital Provider and its permitted assignees (as set forth in this Section 9) shall have the right to assign its rights under this Agreement and the other Financing Documents (as defined in the C-PACE Financing Agreement) without prior notice to or consent from the County or Property Owner (i) solely in connection with any transfers or restructurings with Capital Provider's affiliates; provided, that Capital Provider provides notice of any such transfer to the County and Property Owner within thirty (30) days after the effective date of such transfer, and (ii) as collateral security to agents, arrangers, lenders and other persons or entities that have committed to provide or arrange or have otherwise entered into agreements to provide debt financing to Capital Provider or its affiliates. The County, Property Owner and Capital Provider hereby agree that this Agreement shall inure to the benefit of, and shall be binding upon the County, Property Owner and Capital Provider and their successors and permitted assignees. Any assignment by the Capital Provider shall be documented in the form provided as Exhibit F to this Agreement, and recorded in the same manner as this Agreement.

Section 10. Release. Property Owner and Capital Provider (the "Releasing Parties") do hereby fully and completely remise, exonerate, release and forever discharge the County, and Program Administrator its commissioners, officers, employees, agents, solicitors and advisors (the "Released Parties") of and from any and all matters, things, events, claims, demands, all actions, causes of action, claims, suits, controversies, trespass, damages, judgments, verdicts, interest, penalties and demands in any form whatsoever, at law or in equity, arising from or by reason of

any and all known or unknown, foreseen or unforeseen, suspected or unsuspected, matured or unmatured, Releasing Parties at any time had or have against the Released Parties including, without limitation any matters arising from, in respect of, or in connection, and agree to indemnify and hold harmless the Released Parties from and against any claims that arise in connection with the Agreement, Pennsylvania C-PACE Program Guidelines, the C-PACE process and approval, the Project, the C-PACE Financing Agreement, the Cooperation Agreement, the Assessment, the Assessment amount, the Assessment Levy, or an Amendment of Assessment. Notwithstanding the foregoing, the Releasing Parties shall not have an obligation to indemnify and hold harmless a Released Party from and against any claims that arise from the gross negligence or willful misconduct of such Released Party.

Notwithstanding the foregoing, the Program Administrator and the County agree that the billing, lien, collecting, and/or remitting amounts in accordance with this Agreement are ministerial acts, and the Capital Provider may bring an action in mandamus, a claim for specific performance, or any similar action or remedy (except an action seeking monetary damages from the Program Administrator or the County) against any necessary party to ensure the necessary billing, lien, collecting, and remittance of any amounts due under this Agreement.

Section 11. Counterparts.

This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

Section 12. Representations and Warranties.

12.01 Qualification. Property Owner is a duly organized [COMPANY TYPE] authorized to conduct business and is in good standing in the Commonwealth of Pennsylvania. Capital Provider is a duly organized [COMPANY TYPE] to conduct business and is in good standing in the Commonwealth of Pennsylvania.

12.02 Authority and Authorization. Property Owner and Capital Provider have the power and authority to execute and deliver this Agreement, to make the transaction provided for herein, to execute and deliver this Agreement in evidence of such indebtedness, to which Property Owner and Capital Provider are a party and to perform their respective obligations hereunder and all such action has been duly and validly authorized by all necessary action on their respective part.

Section 13. Miscellaneous.

13.01. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

13.02 Notices. All communication (“notices”) under the provisions of this Agreement shall be in writing unless otherwise expressly permitted hereunder and shall be sent by first class, or first class express mail, overnight express carrier or by telex with confirmation in writing mailed first class, with postage or charges prepaid, any such properly given notice shall be effective when received. All notices shall be sent to the applicable party at the address set forth in the Memorandum, Exhibit C, or in accordance with the last unrevoked written direction from party to the other party hereto.

13.03 Amendments and Waivers. The provisions of this Agreement may from time to time be waived in writing by the County at its sole discretion. All amendments hereto must be in writing, executed by all parties hereto.

13.04 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. The venue of any action brought under this Agreement and jurisdiction with respect to this Agreement and the parties hereto shall be in the Court of Common Pleas of Delaware County, Pennsylvania. Property Owner and Capital Provider each hereby consents and submits to the exclusive jurisdiction of the Court of Common Pleas of Delaware County, Pennsylvania with respect to any claim, matter or dispute with respect to this Agreement.

13.05 Special Revenues. The County and the Program Administrator each agrees that any Assessment payments made by the Property Owner, whether received by the County, by the Program Administrator, or by any agent of the Program Administrator or County, constitute “special revenues” as that term is defined in 11 U.S.C. § 902(2), and agrees, to the greatest extent possible, are exempt from any automatic stay of bankruptcy, and that, furthermore, shall be paid in a manner consistent with this Agreement, notwithstanding the bankruptcy of any party.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF the County has executed this Agreement on the Effective Date by its duly authorized representative:

COUNTY OF DELAWARE, PENNSYLVANIA

By: _____
Name: _____
Title: _____

COMMONWEALTH OF PENNSYLVANIA,

COUNTY OF DELAWARE, to wit:

I hereby certify that on this _____ day of _____, _____, before me, the subscriber, a Notary Public of the State of Pennsylvania, personally appeared _____, the _____ of Delaware County, who acknowledged himself/herself to be, and being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of.

As Witness: my hand and notarial seal.

My commission expires:

Notary Public

IN WITNESS WHEREOF Property Owner has executed this Agreement on the Effective Date by its duly authorized representative:

[PROPERTY OWNER]
AUTHORIZED REPRESENTATIVE

By: _____
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____, to wit:

I hereby certify that on this _____ day of _____, _____, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____ the _____ of _____, who acknowledged himself/herself to be, and being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of.

As Witness: my hand and notarial seal.

My commission expires:

Notary Public

[Property Owner Signature Page to Statement of Levy and Lien Agreement]

IN WITNESS WHEREOF, the Program Administrator has executed this Agreement on the Effective Date by its duly authorized representative.

PROGRAM ADMINISTRATOR:

SUSTAINABLE ENERGY FUND

By: _____
Name: _____
Title: _____

STATE OF PENNSYLVANIA,

COUNTY OF _____, to wit:

I hereby certify that on this _____ day of _____, 2021, before me, the subscriber, a Notary Public of the State of Pennsylvania, personally appeared _____, the _____ of Sustainable Energy Fund, who acknowledged himself/herself to be, and being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of.

As Witness: my hand and notarial seal.

My commission expires:

Notary Public

IN WITNESS WHEREOF the Capital Provider has executed this Agreement on the Effective Date by its duly authorized representative:

[CAPITAL PROVIDER]
AUTHORIZED REPRESENTATIVE

By: _____
Name: _____
Title: _____

STATE OF _____,

COUNTY OF _____, to wit:

I hereby certify that on this _____ day of _____, _____, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____ the _____ of _____, who acknowledged himself/herself to be, and being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of.

As Witness: my hand and notarial seal.

My commission expires:

Notary Public

[Capital Provider Signature Page to Statement of Levy and Lien Agreement]

**EXHIBIT A
RESOLUTION**

EXHIBIT B
LEGAL DESCRIPTION OF THE PROPERTY

See Attachment 1 to Exhibit C.

EXHIBIT C
MEMORANDUM of C-PACE FINANCING AGREEMENT

Capitalized terms used herein without definition shall have the meanings assigned to them in the Statement of Levy and Lien Agreement (the “Agreement”) regarding the financing agreement between _____, the property owner, and _____, the capital provider/ lender; dated and executed on _____

1. 12 Pa.C.S.A. §4301 et.al. (the “C-PACE Act”), authorizes the establishment of a property assessed clean energy program to ensure that owners of agricultural, commercial and industrial properties can obtain low-cost, long-term financing for energy efficiency, water conservation and renewable energy projects.
2. Delaware County, pursuant to 12 Pa. C.S.A. §4303, has established the Delaware County C-PACE Program (“the Program”) via Resolution2021-2 adopted on March 17, 2021.
3. The property referenced herein is located at [ENTER ADDRESS], Delaware County, Pennsylvania (the “Property”) and further described on Attachment 1.
4. The Property Owner has requested that it be allowed to participate in the Program, and the Program Administrator has determined (a) that the Property Owner and the Project qualify for participation in the Program, and (b) the capital provider will advance funds to the Property Owner for the Project.
5. The Property Owner’s obligation to repay funds advanced to it under the Program will be paid through a voluntary special assessment (the “Assessment”) imposed on the Property pursuant to the Act..
6. The Act and the the Program” establish that upon a change in ownership of the Property that occurs after the date of recordation of the Agreement, all Assessment obligations as set forth herein are the responsibility of the new property owner. To the extent that Assessment obligations became due and payable prior to the change in ownership, such Assessment obligations may be apportioned by the buyer and seller in the same way as real property taxes, or in any other manner not inconsistent with federal, state, or local law. The Assessment runs with the land and the original property owner is released from all Assessments at time of sale, which shall become the responsibility of the new property owner.

This Memorandum summarizes key aspects of the full Financing Agreement between the below listed parties.

County: _____
Attn: _____

Telephone: _____
Email: _____

Capital Provider: _____
Attn: _____

Telephone: _____
Email: _____

Property Owner(s): _____
Attn: _____

Telephone: _____
Email: _____

Property Owner(s): _____
Attn: _____

Telephone: _____
Email: _____

Property Owner(s): _____
Attn: _____

Telephone: _____
Email: _____

Program Administrator: _____
Attn: _____

Telephone: _____
Email: _____

Summary of C-PACE Assessment

Property Tax ID:

Total Amount Financed:

Assessment Commencement Date:

Number of Annual Payments:

Interest Rate:

Annual Payment Amount:

Final Assessment Date:

Financing Charges (if any):

Late Fees (if any):

Financing Date:

Complete description of the qualified project

[insert project description]

During the Term, the Assessment, which runs with the land with respect to the Property, will be added to the Property's Tax Bill on account # [ENTER PROPERTY TAX ID] by the County. Property Owner agrees that the Assessment will be included on the Property's Tax Bill and agrees to pay the Assessment, which includes administrative costs, through the Assessment which is due and payable on the same date as the Property's Tax Bill.

Change in Property Ownership.

Upon change in ownership of the Property that occurs after the date of recordation of the Agreement, all Assessment obligations as set forth herein are the responsibility of the new property owner. To the extent that Assessment obligations became due and payable prior to the change in ownership, such Assessment obligations may be apportioned by the buyer and seller in the same way as real property taxes, or in any other manner not inconsistent with federal, state, or local law. The Assessment runs with the land and the original property owner is released from all Assessments at time of sale, which shall become the responsibility of the new property owner.

Assignment

The County may not assign or transfer its rights or obligations under this Agreement without prior written consent of Property Owner and Capital Provider. Capital Provider may not assign any or all its rights arising under this Agreement without providing 45 days notice to the County and Program Administrator. Upon receipt of notice from the Capital Provider of an assignment, the County shall have 30 days to provide written objection to the transfer which objection shall not be unreasonably made. Failure by the County to provide its written objection to the transfer within such 30 day window shall be deemed an automatic acceptance. The Capital Provider may provide a response within the 45 day window to any objection. Assignment may be included in the Financing Agreement with the Property Owner. The Capital Provider shall provide the owner with 45 days notice of assignment. Upon receipt of notice from the Capital Provider of an assignment, the Property Owner shall have 30 days to provide written objection to the transfer which objection shall not be unreasonably made. The Capital Provider may provide a response within the 45 day window to any objection. Notwithstanding anything to the contrary contained in this Agreement, Capital Provider and its permitted assignees (as set forth in Section 9 of this Agreement) shall have the right to assign its rights under this Agreement and the other Financing Documents (as defined in the Financing Agreement) without prior notice to or consent from the County or Property Owner (i) solely in connection with any transfers or restructurings with Capital Provider's affiliates; provided, that Capital Provider provides notice of any such transfer to the County and Property Owner within thirty (30) days after the effective date of such transfer, and (ii) as collateral security to agents, arrangers, lenders and other persons or entities that have committed to provide or arrange or have otherwise entered into agreements to provide debt financing to Capital Provider or its affiliates. Any assignment by the Capital Provider shall be in the form attached to this Agreement, and a copy of such assignment shall be recorded in the same manner as this Agreement. The County, Property Owner and Capital Provider hereby agree that this Agreement shall inure to the benefit of, and shall be binding upon the County, Property Owner and Capital Provider and their successors and permitted assignees.

ATTACHMENT 1
LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT D
C-PACE SPECIAL ASSESSMENT PAYMENT SCHEDULE

Period	Due Date	Payment	Interest	Principal	Principal Remaining	Administrator Fee	Total Payment Due
1	9/30/20	\$	\$	\$	\$	\$	\$
2	9/30/20	\$	\$	\$	\$	\$	\$
3	9/30/20	\$	\$	\$	\$	\$	\$
4	9/30/20	\$	\$	\$	\$	\$	\$
5	9/30/20	\$	\$	\$	\$	\$	\$
6	9/30/20	\$	\$	\$	\$	\$	\$
7	9/30/20	\$	\$	\$	\$	\$	\$
8	9/30/20	\$	\$	\$	\$	\$	\$
9	9/30/20	\$	\$	\$	\$	\$	\$
10	9/30/20	\$	\$	\$	\$	\$	\$
11	9/30/20	\$	\$	\$	\$	\$	\$
12	9/30/20	\$	\$	\$	\$	\$	\$
13	9/30/20	\$	\$	\$	\$	\$	\$
14	9/30/20	\$	\$	\$	\$	\$	\$
15	9/30/20	\$	\$	\$	\$	\$	\$
16	9/30/20	\$	\$	\$	\$	\$	\$
17	9/30/20	\$	\$	\$	\$	\$	\$
18	9/30/20	\$	\$	\$	\$	\$	\$
19	9/30/20	\$	\$	\$	\$	\$	\$
20	9/30/20	\$	\$	\$	\$	\$	\$

EXHIBIT E
NOTICE TO DELAWARE COUNTY TO COMMENCE
COLLECTION OF ASSESSMENT FOR C-PACE PROGRAM (the “Notice”)

_____ (Program Administrator provides this NOTICE to DELAWARE COUNTY TO COMMENCE COLLECTION OF ASSESSMENT FOR THE C-PACE Program, in accordance with the COOPERATION AGREEMENT between [COUNTY] County, the _____ (Program Administrator) dated [DATE] in which the county selected _____ as the Program Administrator and acknowledged _____ as the agent for administration of the C-PACE Program in the county.

Program Administrator provides this NOTICE TO DELAWARE COUNTY TO COMMENCE COLLECTION OF ASSESSMENTS FOR C-PACE PROGRAM, in accordance with the Commercial Property Assessed Clean Energy Financing Statement of Levy and Lien Agreement (“Agreement”) between [COUNTY] County and the [CAPITAL PROVIDER] and [PROPERTY OWNER] dated [DATE].

Pursuant to Article 2 of the Program Administrator Cooperation Agreement, Program Administrator is hereby notifying Delaware County (the “County”) that (a) Program Administrator has approved the C-PACE program application for a project located at _____, [PARCEL ID] (the “Property”); and (b) the C-PACE Financing Agreement attached hereto as **Exhibit A** (the “C-PACE Financing Agreement”) has been executed. Pursuant to the Agreement between the County, [PROPERTY OWNER], and [CAPITAL PROVIDER], the County hereby acknowledges and confirms that the Assessment (as defined in the Agreement) will be added to the Tax Bill of the Property prior to [DATE], [YEAR] to secure repayment of the C-PACE Financing Agreement. The Assessment shall be assessed in accordance with the Special Assessment Payment Schedule, which is attached to the Agreement as Exhibit D.

Pursuant to the Article 3 of the Agreement, if Program Administrator forwards an Amendment of Assessment and Payment Schedule to the County on or before [DATE] of any tax year, the County will amend the Assessment to reflect the adjustment and file the Amendment of Assessment and Payment Schedule in the Land Records for [COUNTY] County, Pennsylvania.

[Remainder of page intentionally left blank, signature page follows.]

SUSTAINABLE ENERGY FUND

By: _____

Name: _____

Title: _____

RECEIVED AND ACKNOWLEDGED BY:

DELAWARE COUNTY, PENNSYLVANIA

By: _____

Name: _____

Title: _____

EXHIBIT F

Form of Assignment Agreement

FORM OF
ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (“**Assignment**”), dated effective as of _____, 20__ (the “**Effective Date**”), is made by _____ (“**Assignor**”) to _____ (“**Assignee**”). Assignor and Assignee are referred to at times, each individually as a “**Party**,” and collectively as the “**Parties**.”

Agreement

1. For good and valuable consideration and the payment of Ten Dollars and No Cents (\$10.00), the receipt and sufficiency of which is hereby acknowledged, confessed, stipulated and agreed upon by Assignor, Assignor ASSIGNS, BARGAINS, GIVES, SETS OVER, CONVEYS, TRANSFERS and DELIVERS to Assignee all of Assignor’s rights, title, interest, obligations, and duties under the Statement of Levy and Lien Agreement (the “**SOL**”), dated as of [DATE], entered into by Assignor, [BORROWER], and the County of Delaware (the “**County**”), together with all of Assignor’s rights to receive payments from [BORROWER] and the County (or its designee), payable in accordance with the SOL arising on or after the date of this Assignment (the “**Transferred Interest**”).

2. Assignor warrants that: (i) it is authorized to execute this document; (ii) it is conveying good, indefeasible title to the Transferred Interest; (iii) the Transferred Interest is free and clear of all liens and encumbrances, and no party has any rights in or to acquire, or hold as security, or otherwise, the Transferred Interest; and (iv) it has provided the County, and Program Administrator with a notice of this Assignment, a copy of which is attached hereto as **Exhibit A**.

3. Assignor hereby agrees to make, execute and deliver to Assignee any and all further instruments of conveyance, assignment or transfer, and any and all other instruments, as may be necessary or proper to carry out the purpose and intent of this Assignment and/or to fully vest Assignee in all rights, titles, interests obligations, and duties of Assignor in and to the Transferred Interest, which instruments shall be delivered to Assignee as soon as possible without any condition or delay on the part of Assignor.

4. Assignee hereby accepts all of Assignor’s rights, title, interest, obligations, and duties under the SOL, and agrees to be bound by its terms. From and after the date of this Assignment, Assignee shall be a party to the SOL and shall have the rights and obligations of the Assignor specified thereunder, and Assignee shall be deemed to be the “Capital Provider” for all purposes of the SOL.

5. All notices, certificates or communications provided pursuant to the SOL to Assignee shall be delivered as provided in the SOL to:

Assignee: _____

With a copy to: _____

6. This Assignment shall inure to the benefit of and be binding upon the successors and assigns of Assignor and Assignee.

7. This Assignment shall be construed under and enforced in accordance with the laws of the State of Pennsylvania. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Assignor and Assignee hereby agree to be bound by the terms of this Assignment and each has executed this Assignment to be effective as of the Effective Date.

ASSIGNOR:

By: _____
Its: _____

STATE OF _____)
COUNTY OF _____)

This Assignment & Assumption Agreement was acknowledged and signed before me on this ____ day of _____, 201_ by _____, _____ of _____.

Notary Public
My Commission Expires: _____

ASSIGNEE:

By: _____
Its: _____

STATE OF _____)
COUNTY OF _____)

This Assignment & Assumption Agreement was acknowledged and signed before me on this ____ day of _____, 201_ by _____, _____ of _____.

Notary Public
My Commission Expires: _____

Appendix E: EPA Portfolio Manager Property



“How To” Series

Portfolio Manager® Quick Start Guide

EPA’s ENERGY STAR Portfolio Manager tool helps you measure and track the energy and water use, waste and materials, and greenhouse gas emissions of your buildings, all in a secure online environment. You can use the results to identify underperforming buildings, set investment priorities, verify efficiency improvements, and receive EPA recognition for superior energy performance. Follow the steps in this guide to get started using the new Portfolio Manager to benchmark your properties, assess performance, and view results.

Getting Started

- Step 1: *Add a Property*
- Step 2: *Enter Energy & Water Data*
- Step 3: *View Results & Progress*

1 Add a Property

To get started, log in to Portfolio Manager at www.energystar.gov/portfoliomanager. Then, follow these instructions to create a property and to enter property information.

1. Click **Add a Property** on the **MyPortfolio** tab.
2. Answer questions about your property and click **Get Started!**
3. Enter basic property information and select the boxes next to the statements that apply to your property. Then click **Continue**.
4. Enter Use Details such as Gross Floor Area (GFA), operating hours, and number of workers for each type of use. You can use default or temporary values at this time and enter more accurate data later. **NOTE:** Mouse over the Use Detail to see a definition.
5. Click **Add Property**. When you have successfully added your property, you will see the property’s **Summary** tab.

Property Types

All property types can be benchmarked. For properties with multiple buildings only hospitals, hotels, K-12 schools, multifamily, and senior care communities are eligible to receive the 1 – 100 ENERGY STAR score.

If you have additional types of uses on the property, you can add them at any time.

1. Click the property’s **Details** tab, and then select a Property Use Type from the **Add Another Type of Use** drop-down menu. Click **Add**.
2. Enter Use Details for the property and then click **Save Use**.

Properties with Multiple Use Types

Some properties include multiple use types, such as restaurants in hotels, salons in senior care communities, and cafeterias in hospitals. As a general rule, if a certain use commonly occurs in the type of property being benchmarked, do not break it out as a separate Property Use Type. Simply include it’s square footage with the building’s primary use.

2 Enter Energy, Water, and Waste & Materials Data

To receive the most accurate picture of your building's performance, tell Portfolio Manager how much energy and water your building consumes, and the volume of waste and materials that you generate. Follow these steps to enter energy, water, and waste data for your property.

1. Click on your property from the **MyPortfolio** tab, then select either the **Energy, Water, or Waste & Materials** tab.
2. Click **Add A Meter**.
3. If you create an energy or water meter:
 - i. Select the type of energy or water used and the number of meters to create, and click **Get Started!**
 - ii. Click on a meter to enter units and first bill date. If this meter reflects a bulk fuel purchase for an energy meter, select the **Enter as Delivery?** checkbox.
 - iii. Click the blue arrow next to each meter to expand the section on the **Your Meter Entries** page. Click **Add Another Entry** under the meter and enter data. Check **Estimation** if you are not including measured data for the entry. You may also choose to record cost here, too. Once you're finished adding entries, click **Continue**.
 - iv. Select the boxes of the meters that total your property's energy or water use on the **Select Meters to Include in Metrics** page. Click **Apply Selections**.
4. If you create a waste meter:
 - i. Select the waste you are tracking and indicate what you do with it. Click **Continue**.
 - ii. Indicate how often the material is being collected (regular or intermittent), the units used for tracking, and if prompted, the date you first started tracking. Click **Create Meter(s)**.
 - iii. Click the blue arrow next to each meter to expand the section on the **Your Meter Entries** page. Click **Add Another Entry** under the meter and enter data. Check **Estimation** if you are not including measured data for the entry. You may also choose to record cost and disposal destination here, too. Once you're finished adding entries, click **Continue**.
 - iv. Select the boxes of the meters that total your property's waste and materials on the **Select Meters to Include in Metrics** page. Click **Apply Selections**.

3 View Results & Progress

It is easy for you to see trends and to track improvement for your entire portfolio of buildings with a variety of standard graphs and reports in Portfolio Manager. Follow these steps to view reports about your properties and to assess progress.

- ✓ Click the **Reporting** tab to view graphs and reports for a property or portfolio.
- ✓ Click on the **Charts & Graphs** options to instantly see colorful graphs of how your portfolio or group of properties is performing. You can print graphs or download the images to incorporate into a presentation or document.
- ✓ View the **Templates & Reports** section to see a list of available standard reports, including Performance Highlights, Energy Performance, and Water Performance. Select **Generate New Report** from the **Action** drop-down menu to create a spreadsheet.



Learn More!

To learn more about Portfolio Manager, visit www.energystar.gov/portfoliomanager.
 To get answers to your questions, visit www.energystar.gov/buildingshelp.

Appendix F: Pre- Application

[See Attached]

PA C-PACE

PROPERTY ASSESSED CLEAN ENERGY

PreApplication

Submission Date: _____

PROPERTY OWNER

First Name	Last Name
Title	Company Name
Mailing Address	
Phone	Email
Engineer/ Consulting Firm (if applicable)	
Phone	Email

PROPERTY INFORMATION

Street Address	Parcel Tax ID#		
City	State	Zip Code	
Ownership Name	Property Sq. Ft.	County	
<p>Have no notices of default or delinquency on property-based debt that have been recorded and not cured.</p> <p>No mortgage delinquency, current on all payments on property</p> <p>County/Muni Liens, judgements, or defaults on the property?</p> <p><i>*Please provide a list of all other properties within the county owned by the same principal owner.</i></p>	Property Type:		
	Agriculture	Hospitality	Retail
	Data Center	Industrial	Warehouse
	Education	Laboratory	Other
	Food Service	Office	
Mortgage Lender Name	Property Value		
Estimated Mortgage Balance	Source of Value (appraisal recent sale, assessment, etc)		
Has obtained lender consent?	Yes	Not yet	

PROJECT INFORMATION

Estimated project cost	Estimated project start date
Estimated annual saving (\$)	Est. power generated (kW)
Capital Provider (company name):	
Point of Contact	Email Address
Please provide a brief summary of the project and attach any relevant analysis if already performed:	

Appendix G: Final Application

[See Attached]

PENNSYLVANIA C-PACE APPLICATION

PROPERTY INFORMATION

Address:

City, State, Zip code

County

Parcel ID Number

Property type/ description

Value of property

Date of Appraisal

Is the building current on property taxes?

Yes

No

Tax Certifications must be submitted with this application.

POINT OF CONTACT INFORMATION

Contact name

Company name

Title

Contact email address

Contact phone number

Contact mailing address:
(if different then property address)

PROPERTY OWNER INFORMATION

Legal name

Business classification

Key principal name

Key principal's title

Has the Property Owner ever filed for bankruptcy?

Yes

No

Date

Is the Property Owner currently in bankruptcy?

Yes

No

PROJECT TYPE (CHECK ALL THAT APPLY)

Energy Conservation

Renewable Energy

Water Conservation

New Construction/ Substantial Rehabilitation

PROJECT DESCRIPTION

Expected Energy Conservation:

Annual financial savings

Expected Energy Generation:

Expected Water Conservation:

Expected useful life

CONTRACTORS AND SERVICE PROVIDERS

Name of Qualified Engineering Firm/ Professional

Estimated project completion date

CAPITAL SOURCES

C-PACE Financing Amount

Other loans

Rebates

Owner's cash contribution

PROJECT COSTS

- Installation contract(s)
- Qualified Engineering Professional
- Project development fees
- Capital provider fees
- Program fees
- Legal fees
- Capitalized interest

TOTAL PROJECT COST

C-PACE FINANCING INFORMATION

Capital provider name

Contact Name

Interest rate

Term

MORTGAGE/LIEN HOLDER(S)

Name of financial institution or lienholder

Outstanding mortgage balance or encumbrance

CHECKLIST

The below items must be included with Application

1. Property Description
2. Zoning/ Planning Approvals (if applicable)
3. Owner Property Lien Self Certification
4. ECM Survey
5. Utility Bills from Property
6. Detailed Project Budget
7. Title Search/ Property owner verification of no debt/ mortgage balance
8. Capital Provider Registration
9. EPA Portfolio Manager Property Enrollment
10. Qualified Contractor Terms and Conditions Self Certification
11. Mortgage/Lien Holder Consent
12. Insurance (if applicable)
13. Program Administrator Disclosure Agreement

Appendix H: Qualified Contractor Terms and Conditions

Pennsylvania Qualified Contractor Terms and Conditions

The Delaware County Commercial Property Assessed Clean Energy Program (C-PACE) is an open market program that allows Property Owners to select the Qualified Contractor, Qualified Engineering Professional, and C-PACE Capital Provider that best fits the Property Owner's objectives. To install Energy Conservation Measures (ECMs) funded through a C-PACE Special Assessment, an installation contractor must become a Qualified Contractor with the Pennsylvania C-PACE program. This document defines the terms and conditions to which all Qualified Contractors must adhere. Delaware County through C-PACE and the Qualified Contractor are the parties to these terms and conditions and may be referred to herein individually as Party or jointly as The Parties.

General Provisions

Term of the Agreement: Qualified Contractor status shall commence on the date an application is approved by the Program Administrator and shall continue until terminated in writing by either party.

No Guarantee of Additional Business: Delaware County makes no representations or guarantees that the Qualified Contractor will obtain additional business revenue or opportunities through its participation in the program.

Relationship of the Parties: Qualified Contractor may present itself as a Qualified Contractor in C-PACE. By submitting this application, Qualified Contractor does not become an agent, employee, or representative of Delaware County or C-PACE. The Parties shall not be considered to be joint ventures, partners, agents, servants, employees, fiduciaries, or representatives of each other, and no Party shall have the right or power to bind or obligate any other Party to, or third-party beneficiary of, these terms and conditions.

Indemnification: Qualified Contractor agrees to indemnify and hold Delaware County and its Program Administrator, their respective directors, commissioners, officers, employees, and agents harmless against all claims, liabilities, damages, losses, costs, or expenses (including, but not limited to, reasonable attorneys' fees) arising out of or related to any act or omission of the Qualified Contractor, its directors, officers, employees, subcontractors, or agents of Qualified Contractor or its subcontractors, including, but not limited to, the failure of Qualified Contractor to properly and/or timely pay any wages and/or benefits to the Qualified Contractor's employees. The obligations of Qualified Contractor under this section shall survive termination or expiration of Qualified Contractor's status and shall be in addition to the warranty obligations of Qualified Contractor. Qualified Contractor waives the right to bring or assert any claim against Delaware County and its vendors relating to C-PACE participation and status as a Qualified Contractor (including listing as a Qualified Contractor) and releases Delaware County and its vendors from any and all liability therefore or relating thereto.

Use of C-PACE Logo: Qualified Contractor may include the C-PACE logo and program name in its marketing materials and may provide C-PACE program materials to its customers. Qualified Contractor may not imply or state that it is a representative of Delaware County or C-PACE or that it has been endorsed by the Pennsylvania C-PACE program. If the Program Administrator terminates the contractor's

status as a Qualified Contractor, contractor must immediately discontinue the use of the C-PACE logo and program name in its marketing materials.

Qualified Contractor Responsibilities

True and Accurate Information: Qualified Contractor shall provide true, accurate, current, and complete information on the C-PACE Qualified Contractor application. Contractor is required to ensure, update, and maintain the truthfulness, accuracy and completeness of all information that it provides on its Qualified Contractor application.

Licensing and Registration: Qualified Contractor shall be and remain licensed, authorized to conduct business, and in good standing in all jurisdictions in which it conducts business, including the Commonwealth of Pennsylvania and shall have the legal authority and power to offer, sell and/or install improvements that are permanently affixed to real property. Qualified Contractor agrees to notify the Program Administrator of any future changes to the licenses and certifications that it possesses. As a condition of approval of the Qualified Contractor or any time following approval of the Qualified Contractor, the Program Administrator may request copies of all relevant licenses held by the Qualified Contractor. Qualified Contractor agrees to promptly provide the requested copies of licenses to the Program Administrator.

Adherence to Laws, Regulations, and Program Guidelines: Qualified Contractor shall comply with all laws, ordinances and regulations. Qualified Contractor shall also comply with the C-PACE Program Guidelines, which define the requirements and processes of C-PACE. The C-PACE Program Guidelines may be revised from time to time without notice by Delaware County, or its designee. It is Qualified Contractor's responsibility to verify current program requirements and procedures and to comply with all laws, ordinances, regulations, and program guidelines.

Insurance: Qualified Contractor agrees to carry appropriate insurance for its type of business.

C-PACE Responsibilities

No Endorsement: The Program Administrator does not verify, vet, endorse, or rank Qualified Contractors. C-PACE Capital Providers may maintain additional requirements that a Qualified Contractor must satisfy in order for the C-PACE Capital Provider to approve C-PACE Financing for ECMs that Qualified Contractor installs.

Right to Remove Contractor: Program Administrator reserves the right to revoke an installation contractor's Qualified Contractor approval, and/or remove Qualified Contractor from its listing of Qualified Contractors, for any reason or for no reason.

Information Sharing: By submission of a C-PACE Qualified Contractor application, Qualified Contractor agrees that information provided on the application may be published or otherwise publicly disseminated.

Authorization

By submitting the C-PACE Qualified Contractor Application, you represent that you are authorized to act on behalf of the Qualified Contractor and that the Qualified Contractor accepts and agrees to the C-PACE Qualified Contractor Terms and Conditions. I declare under penalty of perjury that the foregoing statement is true and correct, and I am aware that if I present any material matters as true which I know to be false, I may be subjected to penalties prescribed for perjury under the laws of the Commonwealth of Pennsylvania.

_____	_____	_____
Signatory Name	Date	

Printed Name	Company Name	

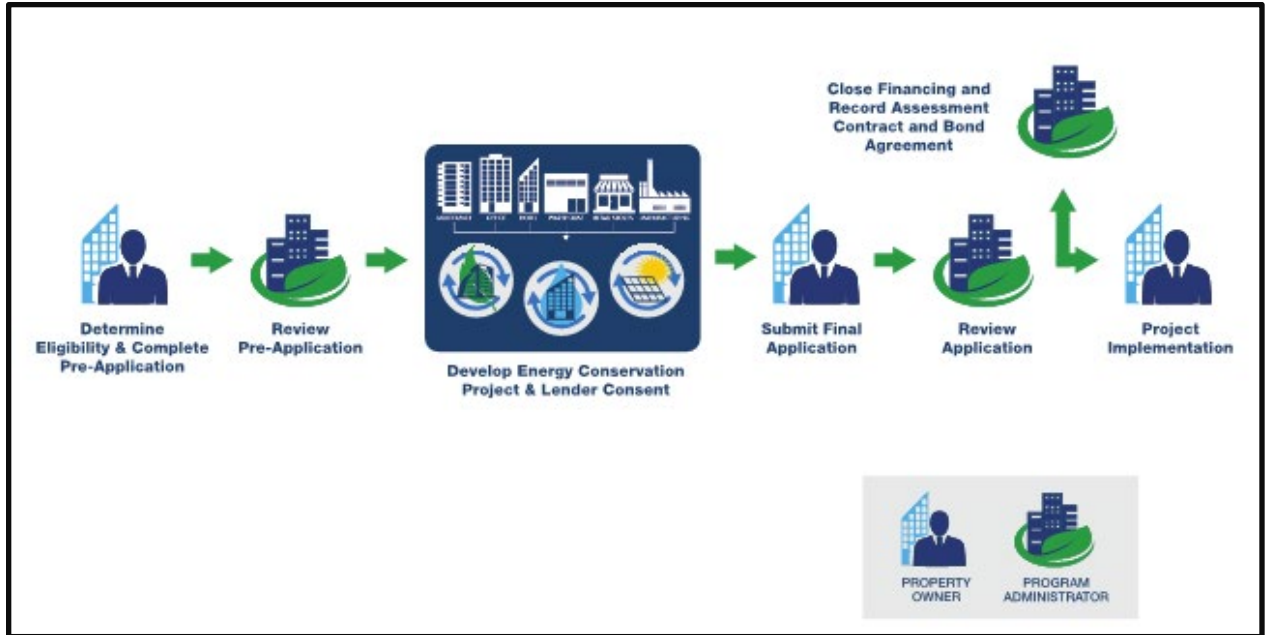
Appendix I: Fee Schedule for Delaware County

To participate in the C-PACE Program, Property Owners must agree to pay various administrative and financing fees. The fees for any specific project will be disclosed and agreed to prior to financing. The Program Administrator reserves the right to modify its fee structure at any time due to changes to program requirements or market factors.

- Application Fee. Application fees are currently waived. Property Owners should check with the Program Administrator prior to submission of an Initial Application to ensure that the waiver is still in effect.
- Program Fee. Program fees cover the cost of program management, project underwriting, legal document preparation and funding disbursement as well as other transaction related project fees.
 - Projects \$25,000 - \$999,999, the fee is 1.50%.
 - Projects \$1,000,000 - \$1,999,999, the fee is 1.50% of \$999,999, plus 1.25 % on the amount > \$999,999;
 - Projects \$2,000,000 - \$3,999,999, the fee is 1.50% of \$999,999, plus 1.25 % of \$1,000,000-1,999,999, plus 1.0%on the amount > \$1,999,999.
 - Projects \$4,000,000 and more, the fee is capped at \$62,500.
- Recordation Fee. The Property Owner or C-PACE Capital Provider will be responsible for paying the cost of recordation of the Assessment Contract.
- Fees for Optional Services. Other fees vary based on services requested by the Property Owner and the county where the project is located. Property Owners may request additional services to assist with project scoping and review, finance structuring or mortgage holder negotiation. Fees for these services will be negotiated at the time of the request.
- Annual Servicing Fee. On-going fees to pay for preparation of the assessment installment bills, preparation of continuing disclosure reports, monitoring project funds, tracking delinquencies, paying agent fees and fees charged by the County.
 - All projects will have a Servicing Fee as outlined below. These fees should be factored into C-PACE Special Assessment annual payment.

Project Size	Annual Fee
\$0-\$25,000	\$150
\$25,001-\$50,000	\$275
\$50,001-\$100,000	\$375
\$100,001-\$1,000,000	\$500
\$1,000,001 plus	\$625

Appendix J: C-PACE Application Process Diagram



Appendix K: Mortgage/Lien Holder Consent

**Notice of Proposed C-PACE Special Assessment and
Request for Financial Institution Consent to Participate in Pennsylvania C-PACE
Program Administrator: _____**

Notice Date:

Financial Institution:

Street:

City/State/Zip Code:

ATTN:

Property/Loan Information:

Address:

Loan Number:

Why has the Financial Institution received this notice?

The Property Owner listed below owns the subject Property. Your Financial Institution holds a lien, mortgage or security interest or other encumbrance on the property.

[Property Owner] wishes to install energy efficiency, water conservation or renewable energy upgrades to the property using Commercial Property Assessed Clean Energy (C-PACE) financing known as the “Pennsylvania C-PACE” program. The Property Owner requests your consent for the property to participate in the program.

Background on C-PACE in Pennsylvania

Pennsylvania Statute (S.B.234) authorizes Pennsylvania municipalities or counties to establish a C-PACE program in their communities. C-PACE financing helps stimulate local economies by ensuring that owners of agricultural, commercial and industrial properties can obtain low-cost, long-term financing for energy efficiency, renewable energy, and water conservation projects. The municipality or county where the subject property is located has contracted with the aforementioned Program Administrator, to administer the program.

With C-PACE, the financing for qualifying projects is repaid by a voluntary assessment on the property that is collected with the regular property taxes. Assessments have long been used to pay for improvements to real property that meet a public policy objective, such as sidewalks, parks, lighting districts, and water and sewer projects. Like other assessments, C-PACE Payments must be current upon the sale of a property and remain with a property upon sale. As with other assessments, if a property is sold in liquidation, any C-PACE Payment in arrears have the same priority status as a lien for any other tax.

The Program Administrator has been designed to meet the needs and concerns of Pennsylvania’s residents, Property Owners, and existing mortgage/lien holders. To qualify, the proposed project must meet the following basic criteria:

- The property is located in a Pennsylvania municipality or county that has passed a resolution authorizing a program;
- The property is an agricultural, commercial, or industrial property;
- The proposed measures reduce energy consumption, water consumption, and/or increase the production of on-site renewable energy;
- The proposed measures are permanently affixed to the property;
- The property is current on all municipal property tax and assessment payments.
- The proposed project meets the requirements.
- **The Property Owner receives consent of the current mortgage/lien holder(s).**

Why should your Financial Institution consent to the C-PACE Special Assessment?

1. Projects financed through C-PACE Pennsylvania reduce building operating costs and therefore increase a property's collateral value. Under the C-PACE Pennsylvania eligibility requirements, a proposed project must include a scope of work, an energy baseline or water usage baseline, and the projected energy savings or water usage reductions. A third-party Qualified Engineering Professional will confirm the energy savings assumptions prior to closing the financing. Lower operating costs typically raise a property's value, improving its collateral value for your Financial Institution's mortgage.
2. C-PACE payments do not accelerate. In the event a mortgage holder or lien holder forecloses on the property for any reason, only the C-PACE payments currently due and in arrears would be payable, which is likely a relatively small proportion of the total amount financed. In the event of a property sale, the remaining C-PACE Financing runs with the land and would be paid by the new property owner as property taxes are due.
3. Projects financed through C-PACE often reduce maintenance and repair costs, and improve a building's health and comfort, making it more attractive to tenants and future owners.

What should your Financial Institution know?

[Building owner] has indicated its intention to apply for C-PACE Financing for improvements outlined in **Appendix B** on the property listed above. The C-PACE Financing will be levied on the property pursuant to an agreement among the property owner, Local Unit of Government, Program Administrator, and the project funding source. The C-PACE Special Assessment terms will consist of:

Total cost of improvements:

Utility rebates/incentives:

Total C-PACE financing requested (+/- 5%):

Annual interest rate not to exceed:

Term of repayment:

Total estimated annual C-PACE Payments:

Payments per year:

Estimated Benefits of the Improvements

Based on the recently prepared ECM and/or Renewable Energy Feasibility Survey, the following savings are estimated to result from the installation of the Authorized Improvements, using the assumptions noted in the calculator:

Electric and Fuel Bill Savings: \$

Other Savings (specify):

- a. **Federal Investment Tax Credit = \$**
- b. **C-PACE Interest Deduction (cash value @ 35% tax rate) = \$**
- c. **Depreciation Cash Impact (cash value @ 35% tax rate) = \$**

Total Estimated Annual Savings: \$

NOTE: The savings noted above represent estimates based on the assumptions contained in the [Building Owner’s engineer’s] ECM Survey. In order to close C-PACE Financing, a qualified third party will confirm the estimates

Purpose of this Notice

As required by the C-PACE Program Administrator, **[Name of Property Owner]** is sending this Notice of Proposed C-PACE Special Assessment and Request for Financial Institution Consent to Participate in Pennsylvania C-PACE to

- (i) provide notice of **[Property Owner’s]** proposed participation of the identified property in the program;
- (ii) request confirmation from your Financial Institution (a current mortgage/lien holder) that the levy of the C-PACE Payments will not trigger a default nor the exercise of any remedies under your Financial Institution’s Loan documents,
- (iii) provide notice that the C-PACE Special Assessment will be collected in installments that are subject to the same penalties, remedies and lien priorities as real property taxes, and
- (iv) declare the **[Name of Property Owner]’s** agreement to pay on a timely basis both the existing obligations secured by the property (including the Loan) and the proposed C-PACE Installments.

Execution and Return of Consent. The Property Owner would appreciate your Financial Institution executing the attached Consent to Consent to Participate in Pennsylvania C-PACE and returning it to the undersigned at your earliest convenience.

Very truly yours,

BY: (signature): _____

PROPERTY OWNER NAME:

MAILING ADDRESS (if different than Property address):

Mortgage/Lien Holder Acknowledgement to C-PACE Payments

Date:

Property/Loan Information Building

Address:

Tax key/Parcel:

Mortgage Holder:

Loan Number:

This Mortgage/Lien Holder Acknowledgement to C-PACE Special Assessment payments (“Acknowledgement”) is given by the undersigned entity (the “Mortgage/Lien Holder”) with respect to the above-referenced loan (“Loan”) and property (“Property”) in relation to the Pennsylvania C-PACE program administered by the Program Administrator

RECITALS

- A.** Mortgage/Lien Holder is in receipt of written notice (“Notice”) from the owner of the Property (“Property Owner”) that the it intends to finance the installation on the Property of certain energy efficiency, renewable energy or water conservation improvements that will be permanently fixed to the Property (“Authorized Improvements”) and that will be financed by participating in the Pennsylvania C-PACE program (the “Program”).
- B.** Mortgage/Lien Holder understands that, as a result of an agreement between the Local Government, the Property Owner and the C-PACE Capital Provider that the C-PACE Special Assessment payments described in the C-PACE Statement of Levy and Lien Agreement and C-PACE Financing Agreement will be levied on the Property, and that the C-PACE Special Assessment payments will be collected by the local government using its present tax collection process.
- C.** The Property Owner has agreed in a manner acceptable to Mortgage/Lien Holder to pay on a timely basis both the existing obligations secured by the Property (including the Loan) and the proposed C-PACE Special Assessment payments.
- D.** The Mortgage/Lien Holder consents to the Property Owner’s participation in the Program, including but not limited to the levy of C-PACE Special Assessment payments on the Property.

[Continued on next page]

ACKNOWLEDGEMENT

The undersigned hereby represents that it is authorized to execute this Acknowledgement on behalf of the Mortgage/Lien Holder. The Mortgage/Lien Holder hereby:

- (i) confirms that it has received the Notice;
- (ii) acknowledges the levy by the municipality or county of the C-PACE Special Assessment payments pursuant to the terms of the Statement of Levy and Lien Agreement and C-PACE Financing Agreement; and
- (iii) agrees that the levy of the C-PACE Financing will not constitute a default nor trigger the exercise of any remedies under the Loan documents.

The Mortgage/Lien Holder hereby acknowledges that the Property Owner, the municipality or county, and the Program Administrator, will rely on the representation and acknowledgement of the Mortgage/Lien Holder set forth in this Acknowledgement. The Recitals are integrated into and made a part of this Acknowledgment.

Mortgage/Lien Holder:

By:

Signature:

Title:

Date:

In witness whereof, _____ has caused its name to be signed this _____ day of

_____, _____.

By: _____

_____, _____

Appendix L: Program Administrator Disclosure Agreement

The Property Owner of _____ hereby acknowledges that the Program Administrator and the Local Unit of Government will be held harmless and recognizes that:

- The Program Administrator does not provide legal advice and will not mediate any disputes between any participants in Pennsylvania C-PACE, including but not limited to, Property Owners of Eligible Properties and their tenants, C-PACE Capital Providers, Qualified Contractors, energy service companies, and utilities.
- In addition to other designated and implied responsibilities in the C-PACE Program, applicant is responsible for reviewing the terms, conditions, and obligations implied by the C-PACE Statement of Levy and Lien Agreement, as well as the terms of any supplemental agreements with the C-PACE Capital Provider and all agreements with Qualified Contractors, Qualified Engineering Professionals, and any other parties to the project.
- When approving an installation contractor as a Qualified Contractor, the Program Administrator conducts a limited review of the company, including review of professional licenses held by the contractor. Property Owner should not rely on Program Administrator's approval of a Qualified Contractor as assurance of the Qualified Contractor's qualifications. Property Owner is responsible for conducting its own due diligence, including but not limited to consideration of finances, performance, and pricing, before selecting a contractor.
- The Program Administrator does not provide any accounting advice regarding how a Property Owner should treat the C-PACE Financing in their books and records.
- The Program Administrator has the right to review all projects for eligibility and may approve C-PACE Projects for C-PACE Financing according to the standards and criteria set forth in the Program Guidelines.
- Pennsylvania C-PACE and the participating Local Unit of Government retain ultimate discretion whether to approve a C-PACE Financing and enter into a C-PACE Statement of Levy and Lien Agreement to levy a C-PACE Special Assessment against an Eligible Property.
- C-PACE Capital Providers are prohibited from releasing, and installation contractors are prohibited from receiving, final payment for a C-PACE Project until the required parties have duly executed a Certificate of Completion and the Program Administrator has accepted the Certificate of Completion.
- The Local Unit of Government and Program Administrator:
 - Do not endorse any particular C-PACE Capital Provider, Qualified Contractor, Qualified Engineering Professional, other engineering firm, manufacturer, product, or system design by this offering.
 - Are not responsible for any tax liability imposed on the recipient as a result of the payment.
 - MAKE NO REPRESENTATION OR WARRANTY, AND ASSUME NO LIABILITY WITH RESPECT TO THE QUALITY, SAFETY, PERFORMANCE, OR OTHER ASPECT OF ANY DESIGN, CONSULTING, PRODUCT, SYSTEM, EQUIPMENT, OR APPLIANCE INSTALLED OR RECEIVED AND EXPRESSLY DISCLAIM ANY SUCH REPRESENTATIONS, WARRANTIES, AND LIABILITY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A

PARTICULAR PURPOSE. Please contact your contractor for detailed manufacturer equipment warranties.

- Do not guarantee that installation and operation of energy efficient equipment will result in reduced usage or in cost savings to a Property Owner or any occupants of an Eligible Property.
- Are not responsible for the proper disposal/recycling of any waste generated as a result of this project
- Are not liable for any damages, including any incidental or consequential damages, arising out of the operation or malfunction of the products, equipment, or appliances, or the installation thereof related to a C-PACE Project.
- Unless notified in writing, Program Administrator reserves the right to publicize participation in the program.
- Upon reasonable notice period a Program Administrator representative may schedule a site visit to verify that qualified products, systems, equipment, or appliances were installed.

Authorization

I declare under penalty of perjury that I am aware that of the above disclosures relating to the Program Administrator of the Pennsylvania C-PACE Program.

_____	_____
Signatory Name	Date
_____	_____
Property Address	PIN