



Property Assessed Clean Energy

CHICAGO
PACE



Program Guidebook 03/25/2021



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I. Overview

A. Introduction

The City of Chicago (the “City”) has established the Chicago Property Assessed Clean Energy Program (“Chicago PACE”, or the “Program”) to accelerate private investment in energy projects on existing and newly constructed buildings. The Program, which enables private sector funding for the costs of energy projects, will serve to further the City’s sustainability and economic development goals, for the benefit of Chicago businesses and residents.

Enacted in 2017 and amended in 2018 (effective January 1, 2019), and 2019 (effective July 29, 2019), the Property Assessed Clean Energy Act, 50 ILCS 50/1 et. seq. (the “Illinois PACE Act”) authorizes Illinois local units of government to establish PACE programs. The City established the Program by adopting an ordinance on October 31, 2018 that meets the requirements of Section 15 of the Illinois PACE Act as well as the adoption of a program report as required by Section 20 of the Illinois PACE Act. The Program Report is an exhibit to the City ordinance SO2018-5032 and contains a description of how PACE works, its benefits, and an outline of the basic design and financing structure of the Program. On September 18, 2019, the City adopted an ordinance amending the original Program Report to incorporate various items introduced in the most recent Illinois PACE Act amendment. In all instances any ordinances passed by the City will prevail over information contained in the Program Report or this Guidebook.

Chicago PACE facilitates financing and refinancing of the installation or modification of alternative energy, energy efficiency, resiliency or water use improvements or the acquisition, installation or improvement of a renewable energy system (“collectively “Energy Projects”), for privately-owned commercial, industrial, multi-family (five or more units), and non-residential agricultural properties (“Eligible Properties”) located in Chicago. The products and improvements installed in connection with Energy Projects must meet Program eligibility criteria and be affixed to the property.

Through Chicago PACE, Property Owners may finance up to 100% of the cost of installing or modifying Energy Projects, including related equipment, materials, labor, soft and closing costs with some limitations discussed below. The Property Owner signs an Assessment Contract with the City which provides for repayment through assessments levied on the property that are billed and collected semi-annually in accordance with the City’s property tax payment schedule. This voluntary assessment represents a senior lien on the property being improved and may automatically transfer upon any sale of the property.

To participate in Chicago PACE each applicant must meet all City requirements as defined in [Section IV\(B\)](#) of this Guidebook as well as certain property and Property Owner criteria required by the Illinois PACE Act.

This Program Guidebook contains information and details on the Program as well as information on how to apply for financing. Please contact the Program Administrator for information on how professionals and capital providers may register with the Program. Please visit our website www.ChicagoPACE.org to ensure you are viewing the most recent Guidebook and for all applicable Chicago PACE documents.

Program Contact

312.940.3722

inquiry@ChicagoPACE.org



B. Definitions

The following terms are used herein. Some terms may be found in either the Illinois PACE Act, 50 ILCS 50/1 et seq., or the Program Report.

Assessment Contract – a voluntary written contract between the City and the Property Owner. The Assessment Contract contains the terms of the PACE assessment and the financing provided by the issuance of bonds (or temporarily through warehouse financing before bonds are issued).

Bond Issuer – either the City or the Illinois Finance Authority (“IFA”).

Capital Provider – any bank, insurance company, investment company, real estate investment trust, or any other financial institution, approved by the Program Administrator, that finances or refinances an Energy Project by purchasing bonds issued by the City or Authority for that purpose. A full list of requirements can be found in [Section VII\(B\)](#).

Energy Project – the acquisition, construction, installation, or modification of an alternative energy improvement, energy efficiency improvement, renewable energy improvement, resiliency improvement or water use improvement affixed to real property (including new construction).

Eligible Property – any privately-owned commercial and industrial buildings, non-residential agricultural or multi-family (consisting of five or more dwelling units) real property or any real property owned by a not-for-profit located in Chicago.

Illinois Finance Authority – the “Authority” or “IFA”, a body politic and corporate established pursuant to the Illinois Finance Authority Act 20 ILCS 3501/801-1 *et seq.*

Illinois PACE Act - the Property Assessed Clean Energy Act, 50 ILCS 50/1 et. seq. The Illinois PACE Act authorized local units of government in Illinois to create PACE programs.

Program Administrator - Loop-Counterpointe PACE LLC will provide general management, oversight and coordination of the Chicago PACE Program including program design, organization, marketing, administration and coordination with DPD.

Property Owner – the Record Owner who is the titleholder or owner of the beneficial interest in property.

Registered Professional – general contractors, subcontractors, design professionals, engineers, architects, or other qualified professionals who are registered and in good standing with the Program.

Renewable Energy Resource - includes energy and its associated renewable energy credit or renewable energy credits from wind energy, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, and hydropower that does not involve new construction or significant expansion of hydropower dams. Does not include the incineration or burning of any solid material. Landfill gas produced in the State is considered a renewable energy resource.

Renewable Energy System – a fixture, product, device or interacting group of fixtures, products, or devices on the customer’s side of the meter that use one or more renewable energy resources to generate electricity, and specifically includes any renewable energy project, as defined in Section 825-65 of the Illinois Finance Authority Act.

Servicer – Counterpointe Energy Services LLC was selected by the City to be the assessment servicer. Services include tax roll administration, billing and collection of Assessments including prepayments, administration of funds and accounts with the bond trustee and reports and notices to the bondholders.

Technical Project Review (“TPR”) – process by which the Program Administrator will review the proposed Energy Project for eligibility. The TPR shall include information such as equipment specifications, energy audits/reviews noting the projected energy, water, or utility savings as well as a TPR Certification from an independent third-party reviewer/Registered Professional.



C. Program Administration

The City's Department of Planning and Development ("DPD") oversees Chicago PACE. As the principal planning agency for the City, DPD promotes the comprehensive growth and sustainability of the City and its neighborhoods. DPD also oversees the City's zoning and land use policies, and, through its economic development and housing bureaus, employs a variety of resources to encourage business and real estate development.

The City has selected Loop-Counterpointe PACE LLC ("LCP") to serve as the Program Administrator. LCP is a joint venture between Loop Capital LLC and Counterpointe Energy Solutions LLC. Loop Capital Markets is the Bond Placement Agent for all bonds issued under the Program and Counterpointe Energy Services LLC is the Servicer.

The Program Administrator is responsible for overseeing and implementing the Program, including:

- Providing guidance and information to potential Program participants;
- Receiving, processing and approving applications (based upon statutory and Program requirements);
- Registering contractors and other building professionals, energy consultants and capital providers with the Program;
- Program reporting to the City and DPD; and
- Program marketing and outreach to Property Owners, contractors and other building professionals, the Minority- and Women-Owned Business Enterprise ("MWBE") community and real estate and environmental associations.

II. Eligibility Criteria

Chicago PACE eligibility requirements include, but are not limited to the following:

A. General

- Mortgage debt, if any, on the Eligible Property must be current without delinquencies. Mortgage debt includes all forms of mortgage debt, including first, second and third mortgages, whether they be fixed or floating, negative amortization or interest only;
- Property Owner must notify and obtain the consent of all mortgage holders that the Property Owner intends to enter into an Assessment Contract with the City to finance an Energy Project;
- All Property Owner(s) or their legally authorized representative(s), must complete and sign all required Chicago PACE documentation (the "Transaction Documents") including:
 - Project Application
 - TPR Certification
 - Final Project Disbursement Request and Certification
 - E-Sign Disclosure and Acknowledgement
 - Acknowledgement of Compliance with City Requirements (City Requirements Agreement)
 - Assessment Contract
 - Any other agreement, consent, authorization, certificate, or document that may be required to be signed pursuant to the Program, including all documentation required by the Authority for its bonding process as described more fully in the IFA Bond Handbook: (https://www.il-fa.com/sites/all/themes/ifa/docs/bond_program_handbook.pdf) and in Exhibit B.

B. Property Owner

- The Property Owner who wishes to utilize the Program must be the owner or owners of record;
- The Property Owner must be eligible to receive a property tax bill and pay property taxes to the City. Certain tax-exempt organizations that own an Eligible Property may qualify despite their tax-exempt status;
- The Property Owner of record may not have filed for bankruptcy in the last two years; and



- The Property Owner must be current on all taxes, special assessments, water or sewer charges or other PACE assessments.

C. Property

- The Property may not be an asset to a current bankruptcy proceeding;
- There may be no notices of default or other evidence of property-based debt delinquency recorded and not cured;
- There may be no involuntary liens on the property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the record owner, environmental proceedings, or eminent domain proceedings;
- The aggregate assessment amount on an Eligible Property may not exceed 25% of the greater of:
 - (a) the assessed value of the property; or
 - (b) the appraised value of the property as determined by a licensed appraiser.

Appraisals will be subject to the approval of the Program Administrator and should be issued within 12 months of the anticipated Assessment closing date.

Eligible Property types, all commercial property types and may include but are not limited to:

- Commercial (e.g., hotels, warehouses, distribution, cold storage, mixed-use);
- Industrial;
- Multi-family (five or more dwelling units); and
- Non-residential agricultural.

Residential properties of four units or less and properties owned by any local unit of government are not eligible. All Eligible Properties must be located within the boundaries of the City of Chicago, and both new construction and retrofit projects are permissible.

D. Energy Projects

The Program may be used to finance or refinance the installation or modification of alternative energy, energy efficiency, renewable energy, resiliency and water use improvements, or other eligible measures as defined in the Illinois PACE Act, which are permanently affixed to real property. Refinancings may include eligible improvements made within the last 36 months.

Energy Projects include, but are not limited to:

- **Alternative energy improvements** (e.g., charging stations for fully or partially powered motor vehicles and associated electrical infrastructure, such as upgraded electrical wiring or electrical capacity).
- **Energy efficiency improvements** – any fixture, product, system, equipment, device, material, or interacting group thereof intended to decrease energy consumption or enable a more efficient use of electricity, natural gas, propane, or other forms of energy on property including but not limited to:
 - Upgraded Insulation;
 - Energy efficient windows, doors, upgraded reflection or glazing;
 - Energy controls or recovery systems;
 - High efficiency heating, ventilating, or air-conditioning and distribution systems;
 - Caulking, weather-stripping, and air sealing;
 - Energy efficient lighting fixtures;
 - Day lighting systems
- **Renewable energy improvements systems** - any fixture, product system, equipment, device, material or interacting group thereof that use renewable energy resources to generate electricity, including but not limited to:
 - Wind energy;



- Solar thermal energy;
 - Geothermal which meets the definition of energy efficiency or renewable energy systems (e.g. ground source heat pumps);
 - Photovoltaic cells and panels;
 - Biodiesel;
 - Anaerobic digestion; and
 - Hydropower that does not involve new construction or significant expansion of hydropower dams.
- **Resiliency Improvements** - intended to increase resilience or improve the durability of infrastructure, including but not limited to:
 - Microgrids
 - Flood Mitigation
 - Wind Resistance
 - Fire Suppression
 - Seismic Retrofits
 - **Water use improvements** - any resiliency improvement, fixture, product, system, equipment, device, material or interacting group thereof intended to conserve water resources or improve water quality on property, including but not limited to:
 - Water management or efficiency systems
 - Water recycling
 - Bioretention, trees, green roofs, porous pavement, or cisterns for natural hydrology
 - Capturing, reusing, managing, and treating stormwater
 - Replacing lead pipes for water supply

E. Eligible Project Costs and Financing Terms

Eligible costs include the direct cost of materials and labor necessary for installation of the Energy Project (“Project Costs”) as well as items which may be classified as Other Fees (as discussed in Section. V below) may include but are not limited to:

- energy, feasibility, efficiency or similar audits or studies;
- appraisals;
- design, drawing and engineering services;
- building permit fees;
- surveys, inspections; and
- technical reviews.

Project Costs may also include pre-paid warranties and service contracts for repairs and maintenance if such costs are incurred pursuant to installation. Chicago PACE financing may be used to for all eligible Project Costs without regard for anticipated rebates and incentives.

Financing Term

The term of an Assessment Contract may not exceed the expected useful life of the installed Energy Projects financed under such contract. The expected useful life is determined based on industry standards and manufacturer’s specifications or warranties. When installing multiple Energy Projects, the maximum maturity generally available may not exceed the term associated with the longest useful life of the improvements.

The term of an assessment will generally be in five-year increments, usually up to 30 years, although the PACE Act allows a maximum term of 40 years. If there are multiple Energy Projects with different useful lives or a single Energy Project



with a useful life between one of the five-year increments, the Property Owner should carefully consider the appropriate maturity. The Program reserves the right to approve a maturity shorter than the requested maturity. The term of the assessment will be set forth in the Assessment Contract.

III. The PACE Financing Process

A. Process Summary

In addition to Illinois PACE Act requirements, each applicant **must meet all the City requirements** as detailed in [Section IV\(B\)](#) of this Guidebook. The Property Owner may obtain a Project Application through the Program Administrator and additional information from www.ChicagoPACE.org.

Chicago PACE Application	
Website:	www.ChicagoPACE.org
Physical Copy:	Loop-Counterpointe PACE Attn: Jana Wesley 111 West Jackson Blvd, Suite 1901 Chicago IL 60604
Phone:	312.940.3722
Electronic:	inquiry@ChicagoPACE.org

Chicago PACE Program	
Step 1:	Project Inquiry (Pre-Application Process)
Step 2:	<p>City Requirements Review</p> <ul style="list-style-type: none"> ▪ Prevailing Wage (not required for refinancing transactions) ▪ Minority- and Women-Owned Business Enterprise Targets ▪ City of Chicago Residency Targets ▪ Economic Disclosure Statements ▪ Scofflaw Check ▪ The Chicago Energy Benchmarking Ordinance ▪ Retrofit Chicago Energy Challenge <p>See Section IV(B) below.</p>
Step 3:	Project Application with Required Documentation
Step 4:	Program Project Approval, Signing and Recording
Step 5:	Bond Issuance and Funding
Step 6:	Project Installation and Disbursement



B. Process Detail

1. Project Inquiry and Initial Review (Pre-Application Process)

When an inquiry is submitted, the Program Administrator will perform a review to determine if the Property Owner and the property meet certain initial eligibility criteria. Projects that meet the criteria will be informed that upon this initial review the project and property appear to be eligible for the Program. **Inquiry review DOES NOT constitute an approval of the financing, but rather a “good faith” evaluation of the property’s eligibility for financing.** Some Property Owners may not qualify and will be notified via email of the reasons for denial.

Upon Inquiry submission, a Property Owner will receive information on the project application process and the documents necessary to move forward. Assistance is always available from the Program Administrator. Property Owners and Capital Providers are encouraged to reach out if any questions arise during this process.

If a Property Owner has engaged a Capital Provider, that provider should be identified to the Program Administrator. Capital Providers must register and be approved by the Program Administration prior to a Project Application submission. Please see [Section VII\(B\)](#) below.

2. City Requirement Review

The City has mandated that all Energy Projects under Chicago PACE must comply with certain criteria instituted by the DPD. These criteria, as further described in [Section IV\(B\)](#) below, are designed to promote the comprehensive growth and sustainability of the City as well as economic development initiatives to encourage business and real estate development. Upon the introduction of a potential project to Chicago PACE, the Program Administrator will discuss with the relevant parties (Capital Providers, Property Owners and Registered Professionals) the information that will be collected prior to closing, and the tasks that must be performed to demonstrate compliance with the City requirements.

3. Program Application and Required Documentation

Each Chicago PACE financing application will be considered based solely on compliance with all Illinois PACE Act and Program terms and conditions. A Property Owner may have multiple assessments on the same property as well as multiple assessments on more than one property; however, in all instances, the aggregate amount financed or refinanced under one or more assessment contracts (per property) may not exceed 25% of the property value as determined in accordance with the Program guidelines.

During the Program Application process, a Property Owner, or the Capital Provider on behalf of the Property Owner, will be asked to submit certain property and ownership information as well as detail on the proposed Energy Projects. Property Owners or their designated representatives will be responsible for developing their projects and satisfying all document requirements of the application process.

A Program Application will include following documentation with the submission:

- a. Property Tax Statement(s) or the Parcel(s) address and PIN(s);
- b. Property tax bill for each parcel to be assessed showing no delinquent taxes, special assessments, water or sewer charges or property assessed clean energy program assessments;
- c. Legal description of the property on which the proposed Energy Project will be installed;
- d. Evidence of compliance with all bankruptcy requirements as indicated above in [Section II\(B\)](#) above;
- e. Verification that mortgage is current, (a Verification of Mortgage form is available);



- f. Office of Foreign Asset Control (“OFAC”) verification (verified by the Program Administrator);
- g. A copy of the Owner’s Title Policy or Commitment (which must be updated prior to Assessment Contract closing);
- h. Environmental review (Phase I or other type of review deemed acceptable by the Program Administrator);
- i. A term sheet signed by the Property Owner and Capital Provider;
- j. The Capital Provider or its designated transferee, must provide satisfactory evidence of proof of funds; and
- k. Property valuation/appraisal, in accordance with Program guidelines, dated within 12 months of closing ([Section II\(C\)](#)).

Prior to final Program Application approval, the following documentation must also be provided:

- a. Technical Project Review (Summary, Report, Bid/Proposal, Certification as applicable), ([Section II\(D\)](#));
- b. A completed KYC Application from Capital Provider or designated transferee, the investor purchasing the bonds and providing funds at closing; and
- c. EDS and Scofflaw documentation from Section IV B of this Guidebook.

The Program Administrator will review and approve all proposed energy projects based on information obtained from the Technical Project Review.

Technical Project Review (“TPR”)

Eligibility of Energy Projects and Project Costs will be contingent upon a Technical Project Review whereby the Program Administrator will review all project elements including the water or energy use and a modeling of expected monetary savings.

The Registered Professional, Property Owner or Capital Provider will submit a completed Technical Project Review form for each Application. The TPR must include certain project information including:

- An energy audit/review or equivalent, if applicable, which shall include an estimate of energy or water and utility bill savings and/or expected renewable energy generation;
- Summary of equipment being installed, including manufacturer and model number, the total proposed Project Costs per item, as well as itemization of any other Project Costs. Any manufacturer’s specifications detailing the estimated performance of Energy Projects should also be included;
- A proposal generated by a Registered Professional who will be performing the work including detail for all proposed project costs (direct costs as well and ancillary costs incurred to complete the Energy Project installation); and
- A TPR Certification signed by the Registered Professional indicating the professional’s qualifications as well as the scope of work performed.

An energy audit/review is required by the Program and is subject to the requirements below.

Energy Audits Review
Energy Projects installed in new construction projects or Energy Projects over \$2 million on existing properties – Submit one of the following:
<ul style="list-style-type: none"> ▪ An ASHRAE Level 1 Audit; or ▪ An energy review, audit or certification that the Energy Project conforms to the Investor Confidence Project (“ICP”) Energy Performance Protocols; or ▪ An energy audit, product review or feasibility study acceptable to the Program Administrator.



Energy Projects below \$2 million – Submit one of the following:

- ComEd or Peoples Gas Free Energy Assessment, or a similar level of energy project review applicable to the Energy Project;
- An energy review performed by an Original Equipment Manufacturer (“OEM”) or Energy Services Company (“ESCO”) for the proposed installed equipment; or
- An energy audit, product review or feasibility study acceptable to the Program Administrator.

All energy audits/reviews must be prepared by a professional who has registered with the Program and met the credentials noted in [Section VII\(A\)](#). Energy audit costs that are necessary for installation or incurred pursuant to the issuance of bonds may be considered eligible Project Costs and included in the financing. The Program Administrator may request additional information for approval of the Energy Project, as needed.

Property Owners should speak with their Registered Professional or the Chicago Department of Buildings to determine if the installation of the Energy Projects will require a building permit and or inspection. It is the Property Owner’s responsibility to determine that all required building permits are obtained and in effect prior to the installation of the Energy Projects. The Property Owner and the Registered Professional will represent in the Final Project Disbursement Request and Certification that all required building permits were obtained.

The Program Administrator may schedule on-site visits to confirm that installation of the approved Energy Projects is proceeding as documented. Property Owners may elect to include the cost of site visits in the financing if such costs are deemed necessary for project installation or incurred pursuant to the issuance of bonds.

The Program is required to obtain certain representations from the Registered Professional and the Property Owner prior to final project disbursement. For construction projects, DPD requires the Program Administrator to withhold 10% of the total Project Cost amount at the closing, such funds will be held by the bond trustee. Once the City requirements have been satisfied the final disbursement request will be approved and funds will be directed to be released by the Program Administrator. The Property Owner and the Registered Professional will represent in the Final Project Disbursement Request and Certification that all required building permits were obtained and provide any requested building permits, inspections and building department approvals as a condition to a release of the final project cost disbursement.

4. Program Approval, Assessment Contract Documentation, Signing and Recording

After receipt of the above required documentation, the Program Administrator will determine if the project and property are eligible for Chicago PACE. If the project is approved, final documentation will be requested, and the documents below will be required for closing (prior to the execution of the Assessment Contract):

- a. Property Ownership documentation including but not limited to all corporate, LLC, trust, and ground lease agreements. An organizational chart showing all the owners of the Property Owner may be required. A certificate of good standing from the state where the Property Owner is organized may also be requested;
- b. Signed Mortgage Lender Notice and Consent Form – Mortgage holder notice and consent is required under the Illinois PACE Act. During the project development process, the Program Administrator recommends that Property Owners work with their Capital Provider to approach current mortgage holders to inform them of their intent to enter into an assessment under the Chicago PACE Program and to obtain the necessary consents. (See [Section IV\(A\)](#))
- c. Proof of property hazard insurance naming an additional insured as directed by the Program Administrator;
- d. Capital Provider Certification;
- e. Registered Professionals Acknowledgement/Agreement
- f. Closing documents which shall include:



- i. Acknowledgement of Compliance with City Requirements Agreement (City Requirements Agreement);
 - ii. Officer's Certificates (forms acceptable to the Program Administrator)
 - iii. Assessment Contract;
 - iv. E-Sign Disclosure and Consent; and
- g. Additional documentation as deemed necessary by the Program Administrator.

Chicago PACE may require a Program legal review of the transaction at the Property Owner's expense. For instance, transactions with complex ownership structures, title issues, etc.; however, any legal costs that are incurred pursuant to the installation of Energy Projects or the issuance of bonds may be eligible to be included in the PACE assessment.

The Assessment Contract contains terms and conditions of the transaction, the aggregate amount of Project Costs and Fees, including Program and issuance costs discussed in Sec. V below, and is signed by the Property Owner and the City.

This Contract contains the following Exhibits and Schedules:

- Exhibit A - Property Owner, Energy Project information and a legal description of the property
- Exhibit B – Permitted Liens
- Schedule I - Terms of Assessment and Schedule of Annual Assessment Installments which includes all relevant financing information such as the assessment interest rate, the financing term, and prepayment terms, as well as the Schedule of Annual Assessment Installments.
- Schedule II - a record of any environmental items that have been identified and acknowledged by the Property Owner.

5. Bond Issuance and Funding

After the Assessment Contract is executed by the Property Owner and the City, the Contract is recorded in the land records at the Cook County Clerk's Office by the Program Administrator. Once recorded, the Program Administrator will contact the closing parties; the Property Owner, the Authority, and the Capital Provider, for the immediate closing of the Assessment Contract financing/bond issuance and funds disbursement. Interest will begin to accrue on the financing when the bonds are closed. A trustee will hold the project funds in an account pending disbursement at the direction of the Property Owner and its Capital Provider.

6. Project Installation and Disbursement

Project fund disbursements may be released to Registered Professionals or the Property Owner in accordance with the Assessment Contract. The Program is required to obtain certain representations from Registered Professionals and the Property Owner prior to final project disbursement. For construction projects, DPD requires the Program Administrator to withhold 10% of the total Project Cost amount, which will be held by the Bond trustee until all City Requirements have been met.

The conditions to the final disbursement of funds will be set forth in the Final Project Disbursement Request and Certification which is signed by the Property Owner and Capital Provider. If all City Requirements have been satisfied the Program Administrator will coordinate with the trustee to release the requested final funds.

Property owners (with the assistance of their Registered Professionals) are required to maintain a record of all permits, periodic progress inspections/reports, and other documentation necessary to demonstrate compliance with all applicable codes and laws and should be prepared to provide these to the Program Administrator, if requested.

If the Property Owner wishes to make any changes to the approved Energy Project, they must first obtain the approval of the Capital Provider and such changes must be communicated to and approved by the Program Administrator. Any such changes shall be reflected in Appendix A of the Final Project Disbursement Request and Certification.



Once the project has been successfully completed, all permits closed, and a certificate of occupancy issued (if applicable), the Property Owner will execute the Final Project Disbursement Request and Certification and coordinate with the Capital Provider for review, approval, and signature. The Registered Professional is expected to provide operating instructions for the installed products as well as warranty information directly to the Property Owner at or prior to project completion. The final Disbursement Request and Certification will demonstrate written confirmation from the Property Owner that the project was properly installed and is operating as intended as well as confirmation that all required documents and sign-offs necessary to satisfy City Program requirements (as detailed in [Section IV\(B\)](#)) have been obtained and approved by the Program Administrator. As described above, at the direction of the DPD, final project disbursements may be held until these requirements have been met.

IV. Program Specifications

The Program Administrator is responsible for ensuring that all Project Applications meet Chicago PACE as well as City requirements.

A. Mortgage Holder Notice and Consent

Under the Illinois PACE Act, prior to entering into an Assessment Contract with the City, the Property Owner is required to provide to the holders of any mortgages encumbering or otherwise secured by the property, a notice of the Property Owner's intent to enter into an Assessment Contract with the City. Such notice must describe the maximum principal amount that may be financed and the maximum annual assessment necessary to repay that amount along with a request that the mortgage holder consent to the Property Owner participating in the Program. The Property Owner may work with their Capital Provider to obtain this consent.

The required Program Mortgage Holder Notice and Consent forms are part of the Transaction Documents and may be obtained from the Program Administrator. A verified copy or other proof of those executed notices will demonstrate the written consent of the existing mortgage holder(s) for the Property Owner to enter into the Assessment Contract and acknowledgement that the existing mortgage(s) will be subordinate to the financing and Assessment Contract and that the City or, if applicable, its permitted assignee, can foreclose on the property if the assessment is not paid.

B. City of Chicago Requirements

The Program has been developed to promote the City's sustainability and economic development goals, which include:

- Energy Efficiency and Clean Energy;
- Water Conservation;
- Climate Change Mitigation;
- Improved Air Quality;
- Economic Development and Job Creation; and
- Minority and Women-Owned Enterprises Engagement.

To help promote these goals all projects must comply with certain criteria mandated by the City. These requirements demonstrate compliance with Illinois' prevailing wage requirements, as well as the City's residency requirements, and other reporting obligations.

- Projects with Eligible Costs in excess of \$2 million must comply with the City's minimum Minority- and Women-Owned Enterprise participation requirements as well as City Residency requirements.
- Property Owners of buildings over 50,000 square feet must comply with the Chicago Energy Benchmarking Ordinance and the associated Chicago Energy Rating System requirements.



The chart below details the specific City requirements for which a Property Owner must certify compliance. During the Application process the Program Administrator will coordinate a meeting between the appropriate City Construction Compliance contacts who will then assist the Property Owner with meeting certain of the below City Requirements.

Summary of City Requirements – DPD
<p>Economic Disclosure Statement (“EDS”)</p> <p>The Property Owner must complete the City’s EDS and Affidavit form using the link below. The EDS form is valid for 90 days and must be valid at closing. Property Owner will submit the Certificate of Filing to the Program Administrator. EDS forms are reviewed by the City’s law department.</p> <p>https://www.cityofchicago.org/city/en/depts/dps/provdrs/comp/svcs/economic_disclosurestatementseds.html</p>
<p>Scofflaw Check</p> <p>The City must complete a Scofflaw Check for each individual that is an owner, partner, investor, director or officer of the entity or of any entity holding an interest in the property in which PACE eligible improvements will be affixed. The Scofflaw Check includes identifying any outstanding monies owed the City for water bills, traffic or parking tickets, child support payments or other obligations. The Principal Profile form must be completed and uploaded via a shared access folder provided by the Program Administrator. The City’s Departments of Finance and Consumer Services will determine compliance for the applicant Property Owners.</p>
<p>The Chicago Energy Benchmarking Ordinance</p> <p>This Ordinance requires qualifying commercial, institutional, or multi-family properties over 50,000 square feet in area, to report their energy use once per year, and to conduct additional data verification once every three years. Any Property Owner applying for Chicago PACE financing whose property is subject to this Ordinance will be required to comply prior to receiving financing for any property improvements. In instances in which a property does not fall into the mandatory reporting size or property type categories of the City’s Energy Benchmarking Ordinance; Property Owners are encouraged to voluntarily report energy usage. More information can be found online at: www.CityofChicago.org/energybenchmarking.</p>
<p>Retrofit Chicago Energy Challenge</p> <p>All Property Owners participating in Chicago PACE will be automatically enrolled in the Retrofit Chicago Energy Challenge if their Chicago PACE-funded project is expected to reduce the energy use of their existing property by 18% or more. There is no cost to join, and no commitment other than attempting to achieve a 20% energy reduction.</p> <p>The Retrofit Chicago Energy Challenge is the City’s voluntary energy efficiency program. Currently, Property Owners or managers enroll one or more buildings into the program and commit to working toward a 20% energy reduction within five years of joining the program. Property teams also commit to sharing their energy data with the City, as well as sharing best practices with other Retrofit Chicago members. Members receive some technical assistance, access to a peer sharing network, and recognition from the City. More information can be found at: www.RetrofitChicago.net.</p>
Summary of City Requirements – Construction Compliance
<p>Prevailing Wage</p> <p>All projects, except an Energy Project refinancing, must comply with the prevailing wage requirement as ascertained by the Illinois Department of Labor. The prevailing wage requirements govern the wages that a contractor or subcontractor are required to pay to all laborers, workers and mechanics who perform work on public works projects, including PACE-financed projects. The Illinois Prevailing Wage Act also sets forth the record keeping requirements for a contractor or subcontractor and sets forth the obligations of municipalities and other public bodies to establish the prevailing wage as well as, to notify in writing all contractors and subcontractors regarding the Prevailing Wage Act when bidding and awarding contracts, as well as on work orders. Certified payroll reports are required by the general contractor and all subcontractors.</p> <p><i>Penalty for Non-Compliance:</i> Any laborer, worker or mechanic employed by the general contractor or by any subcontractor under the GC who is paid less for their services than the Illinois Prevailing Wage shall have a right of action for whatever difference there may be between the amount paid and the IL Prevailing Wage. Violators must pay workers the difference between the wage paid and the prevailing wage and are subject to penalties and punitive damages. A contractor or subcontractor found to have violated the Act on two occasions in a five-year period may be disbarred from public works projects for four years. Contractors are required to post prevailing wage rates at job sites. https://www2.illinois.gov/idol/Laws-Rules/CONMED/Pages/prevailing-wage-act.aspx</p>



Minority and Women-Owned Business Enterprises (“MWBE”)

All PACE-financed projects in which the Eligible Project Costs are \$2 million or greater, the PACE-financed portion of the project must adhere to the MBE and WBE participation goals found in Section 2-92-720 et seq. of the Municipal Code. The participation goals are at least 26% of the Eligible Project Costs to MBEs and at least 6% of the Eligible Project Costs to WBEs. Businesses owned by minorities and women must be afforded maximum opportunities to participate in the performance of construction contracts.

The Property Owner must submit the following to the Construction Compliance Program Auditor during the PACE application process:

- Proposed M/WBE Utilization Plan (Schedule D – lists the certified MBE and WBE subcontractors the Property Owner’s General Contractor plans to or, in the case of refinancings, did use during construction.
- Letters of Intent to Perform (Schedule Cs) between the General Contractor and its subcontractors, with current certification letters from the City of Chicago or Cook County. Firms must be scheduled to work within their certification areas.
- Contractor’s Activity Reports must be submitted at least monthly once construction begins. This form identifies the firms providing labor and those that are suppliers (credited at 60%). Individual waivers of lien for all MBEs and WBEs included on the Schedule D must be submitted with the Contractor’s Activity Report for their participation to be credited toward the respective goal. Copies of the Owner’s Sworn Statement and the General Contractor’s Sworn Statement must be submitted with Contractor’s Activity Report.
- Electronic compliance monitoring software B2G Now must be used to track MBE/WBE utilization.

Penalty for Non-Compliance: MBE/WBE participation must be achieved at 100%. In the event of non-compliance and no waiver has been granted, the explanations regarding Good Faith Efforts to comply will be forwarded to the Law Department.

<https://www.chicago.gov/content/dam/city/depts/dps/Outreach/2012MWBERegulationsforConstruction.pdf>

Chicago Residency

All PACE-financed projects in which the eligible Project Costs are \$2 million or greater, the PACE-financed portion of the project must comply with the City’s residency requirement. At least 50 percent of the total hours worked by persons on the site of the construction project by employees of the contractor and subcontractors shall be performed by City residents. The contractor and subcontractors must submit certified payroll for PACE projects to assess compliance.

Penalty for Non-Compliance: The Code stipulates the penalty for noncompliance as: “Therefore, in the case of non-compliance it is agreed that 1/20 of one percent (0.05%) or 0.0005, of the total PACE Project Costs shall be surrendered by the Property Owner to the City in payment for each percentage of shortfall toward the stipulated residency requirement.”

<https://www.chicago.gov/content/dam/city/depts/dol/rulesandregs/PercentagesCityandProjectAreaResidentsWorkerHours.pdf>

Failure to meet any of these requirements may have a negative impact on the release of the 10% holdback, on construction projects, escrowed at the closing. Any amounts withheld will be released to the Registered Professional/Property Owner upon full satisfaction of the above City requirements.

V. Program Fees and Expenses

The Illinois PACE Act mandates that the City or IFA shall issue bonds in accordance with the Act and Sec. 825-65 of the Illinois Finance Authority Act to finance or refinance Energy Projects under the Program pursuant to one or more indentures with the sale of bonds to one or more “initial purchasers” or their respective “designated transferee(s)”. The City will determine whether bonds will be issued through the Authority or the City and fees may vary by issuer. Currently it is anticipated that all bonds will be issued by the Authority. IFA expects each Capital Provider to execute a standard form of Chicago PACE indenture with Wilmington Trust, as its chosen bond trustee. Please see Exhibit C for further discussion of IFA process.

The Property Owner will be charged certain fees and costs in connection with applying for and obtaining financing or refinancing under the Program. The Program Administrator will not charge a fee for contractors or other professionals to apply for, or maintain, registration with the Program.

The Assessment Amount (Schedule I of the Assessment Contract) is comprised of:



- Project Costs,
- Program Fees,
- Other Fees,
- Capitalized Interest, and
- Capital Provider Fees.

Closing Fees include costs of issuance for the bonds paid at closing (**Bond Issuance Fees**) and **Annual Fees** for the bonds and the Assessment Contract.

A. The Assessment Amount

Project Costs include the direct cost of materials and labor necessary for installation of the Energy Project, including permit and inspection fees. It may also include other ancillary costs, fees and expenses related to acquisition, construction installation or modification of the Project.

Program Fees include the costs and fees of the Program as well as other fees that may be charged to the Property Owner in connection with the application for PACE funding, the execution of the Assessment Contract and the costs of issuance of bonds by the Authority. Program Fees include:

- PACE Program Application Fee (net against the Program Administrator’s Fee at closing);
- Program Administrator’s Fee and costs associated with its legal counsel (if applicable);
- City of Chicago Program Fee;
- Minority- and Woman-Owned Business Entity Outreach Program Fees;
- Bond Issuance Fees;
- Program Legal Fee; and
- Program Energy Review Fee.

Included in Program Fees are **Bond Issuance Fees**. These fees represent the costs of the entities engaged in the issuance of the bonds that will finance the Energy Projects and include:

- IFA Bond Issuer Fee;
- IFA Bond Counsel Fee;
- Bond Placement Agent Fee;
- Bond Placement Agent Counsel Fee; and
- Bond Trustee Fees.

Other Fees are Fees that may be incurred by or charged to the Property Owner in connection with the execution of the Assessment Contract or the issuance of bonds (or a provision of interim financing) such as third-party fees including but not limited to:

- Title reports;
- Energy reports/audits;
- Program legal reviews; and
- Appraisals.

Capitalized Interest: Interest on the Assessment Contract starts accruing from the time the bonds are closed. The Property Owner may elect to capitalize or prepay interest for a specified period. The amount of capitalized interest included in the Assessment is determined by the Property Owner and Capital Provider.

Capital Provider Fees: Capital Providers will determine with the Property Owner their fees and charges for each project, which may be capitalized in the assessment. Schedule I of the Assessment Contract will contain all relevant financing information.



The fees and expenses discussed above are capitalized in the Assessment Amount. Please see Exhibit A for the current Program Fees. These fees may be subject to change.

B. Annual Fees

The recurring annual fees for the service providers under the bond indenture and any other County Tax Collector fees, if applicable. Recurring annual fees may not be capitalized and are subject to either contracts with the City or the Program Administrator with approval by the City.

Bond Trustee Fee – the annual fee paid to the indenture trustee, estimated at \$400 per year.

Servicer Fee – the annual fee, calculated as 0.25%, multiplied by (y) the outstanding principal balance of the bond immediately following the prior bond payment date, multiplied by (z) a fraction, the numerator of which is the number of days since the last payment date (or the issuance date) and the denominator of which is 360. Each Capital Provider will enter into a Servicing Agreement (form available from the Program Administrator) with the Servicer.

Administrative Prepayment Processing Fee – Any prepayment, either in full or partial, will incur an administrative processing fee payable to the Program Administrator, Servicer as well as the trustee. Such fees will be included in the calculation of the prepayment amount by the Servicer.

VI. Assessment Assignment, Billing and Collection

Assessments: Billing and Collection

Chicago PACE assessments will be billed on a semi-annual basis on dates that correspond to the Cook County property tax payment billing schedule. The assessment payments will be directly billed by the Servicer and Property Owner payments will be sent directly to the bond trustee, according to the instructions indicated on the bill.

Delinquent assessment installments are subject to the same rights and remedies as delinquent real estate property taxes or other delinquent assessments, including a property tax sale. In the event a Property Owner becomes delinquent on its property tax and special assessment payments, the City will follow its standard proceedings to collect delinquent tax and assessment payments and all applicable penalties and interest. The City will obligate itself, through a covenant with the bondholders, to exercise its judicial foreclosure rights with respect to delinquent assessment installments and related annual administrative fees under circumstances specified in such covenant. Such a covenant would typically provide that no later than a specific date in each year, the Program Administrator will determine whether the property is delinquent in the payment of assessment installments and related annual administrative fees and, if so, will commence, or cause to be commenced, foreclosure proceedings against the property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bondholders.

VII. Participating in Chicago PACE

A. Registered Professionals

Energy Projects must be installed by general contractors, subcontractors, design professionals, engineers, architects, or other qualified professionals who are registered and in good standing with the Program (“Registered Professionals”). Professionals may apply to the Program via the Chicago PACE website. Property Owners may also register with the Program as qualified professionals.

Registered Professional eligibility criteria is set forth below:

Licensing: Professionals must:

- demonstrate compliance with all applicable state and local licensing laws;
- be in good standing with the Illinois state licensing board; and
- possess the license or licenses required by the Illinois for the specific products they install, and/or the work performed.



Insurance: Professionals must be insured and bonded as required by the City. Additional insurance may be required at the sole discretion of the Program Administrator.

Certifications: Energy Audits | Reviews, as required in the TPR, must be performed by a Professional having one of the following certifications or licenses:

- American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE)
 - Building Energy Assessment Professional (BEAP)
 - Building Energy Modeling Professional (BEMP)
- Association of Energy Engineers (AEE)
 - Certified Energy Manager (CEM)
 - Certified Energy Auditor (CEA)
- Building Performance Institute
 - Energy Auditor
- Investor Confidence Project
 - Credentialed Quality Assurance Provider
- Illinois Department of Financial and Professional Regulation or similar licensing boards in other U.S. states
 - Professional Engineer (PE)
 - Licensed Architect
- Other certification or qualification as determined by Program Administrator

Registered Professionals will execute a Registered Professionals Participation Agreement and Acknowledgement and agree to abide by all Program terms and conditions set forth in both that Agreement and the Program Guidebook. A Registered Professional who does not abide by such terms and conditions may be suspended from the Program.

A Registered Professional's general responsibilities include:

- Being licensed, insured, and bonded as required by applicable law;
- Obtaining building permits as required by the Chicago Department of Buildings;
- Only providing services for which the Registered Professional has the correct license and the requisite experience and expertise; and
- Abiding by the Program's business practices and marketing guidelines.

The review and investigation of a professional conducted by the Program and the registration of a professional under the Program is not, and should not be construed as, an endorsement or warranty of any kind, express or implied, including a warranty as to the qualifications, experience, expertise, or quality of the work of the Registered Professional or any other person, such as a subcontractor, involved with the selection, supply or installation of the Energy Projects. **Property Owners bear the entire risk in selecting Registered Professionals for their Program-financed Energy Projects.** The Program encourages every Property Owner to interview several Registered Professionals and conduct their own investigation as to the qualifications, experience, expertise and reputation for quality of work. The Program, the City, the Program Administrator and their affiliates do not endorse Registered Professionals or any other person involved with the selection, supply or installation of Energy Projects and do not make any warranty, express or implied, regarding the economic value, energy savings, safety, quality, durability or reliability of the Energy Projects and the installation thereof.

B. Capital Providers

The Program relies on Capital Providers to provide funding for Assessment Contracts through the purchase of bonds issued for the financing of Energy Projects. Capital Providers must register and be approved by the Program to originate assessments to finance energy projects or to purchase bonds.

Each approved Capital Provider will pay Minority- and Woman-Owned Business Entity Outreach Program Fees for each assessment based on a percentage of the cost of each Energy Project financed with bonds purchased by the Capital



Provider. Capital Providers will also be charged with paying all annual fees of the Servicer. Each Capital Provider (or its designated transferee) shall enter into a Servicing Agreement with the Servicer. Approved Capital Providers are subject to an annual eligibility review.

Eligible Capital Providers must meet one of the following minimum criteria:

- Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;
- Any insurance company authorized to conduct business in one or more states;
- Any registered investment company, registered business development company, or a Small Business Administration, small business investment company;
- A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees or an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”);
- A trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in above;
- Any publicly traded entity; or
- Any private entity that is a corporation, partnership, or other legal entity that:
 - Provides proof that it is currently registered as a Capital Provider in two different states C-PACE programs; or
 - Has at least three years’ experience in business or industrial lending or commercial real estate lending.

In addition, each Capital Provider shall provide:

- Independent verification of minimum net worth of \$1 million;
- Indication of minimum PACE amount and maximum PACE amount underwritten; and
- Satisfactory evidence as to availability of funds up to the amount of potential project requests.

Capital Providers will execute a Capital Provider Agreement prior to participation in Chicago PACE and shall also provide information that will include, but is not limited to:

- Materials required by the Bond Placement Agent and bond trustee for “Know Your Customer” (“KYC”) requirements; and
- In some cases, a completed City Economic Disclosure Statement and Affidavit form, as requested by the City.

At closing, for each PACE transaction, the Capital Provider must execute a Capital Provider Certification form.

The minimum criteria may be modified by the Program without notice. The Program Administrator may request additional documentation, as necessary.

VIII. Additional Information

A. Related Energy Efficiency Programs

Under the Chicago PACE program financing may be used for all Eligible Project Costs without regard for anticipated rebates and incentives, as these rebates are often paid after a project is complete. Rebates are, however, critical to making most projects cost-effective and Chicago PACE encourages Property Owners to make use of all available rebates and incentives. The Program Administrator encourages Property Owners to participate in utility or other incentives for their improvement project and will provide links and contact information, as well as application materials, to the utility program available to the Property Owner, including but not limited to the following:

- **Commonwealth Edison (ComEd)** incentives for a wide range of energy efficiency improvements, mostly for existing properties.
 - Commercial accounts:



<http://www.comed.com/WaysToSave/ForYourBusiness/Pages/Incentives.aspx>

- Residential/Multifamily program:
<https://www.comed.com/WaysToSave/ForYourBusiness/Pages/MultiFamilyProperty.aspx>
- **ComEd Small Business Energy Savings Program**, which offers free energy assessments, free installation of energy savings products, and rebates for improvements up to 75%.
<http://www.comed.com/WaysToSave/ForYourBusiness/Pages/SmallBusiness.aspx>
- **ComEd discounts for high-efficiency lighting products**
<https://www.comed.com/WaysToSave/ForYourBusiness/Pages/LightingDiscounts.aspx>
- **The ComEd Energy Efficiency New Construction Program** providing financial incentives and technical assistance to encourage new construction to adhere to the highest energy efficiency standards.
<https://www.comed.com/WaysToSave/ForYourBusiness/Pages/NewConstruction.aspx>
- **Peoples Gas Energy Efficiency Program: The Peoples Gas Energy Efficiency Program** offers incentives to encourage business customers to make energy-efficient improvements. Reduce your energy use, shrink your carbon footprint and make your workplace more comfortable through six programs.
<https://accel.peoplesgasdelivery.com/business/rebates.aspx>
- **Illinois offers a special assessment for solar energy systems** that requires the property tax assessor to use the lesser of two values for solar systems: the value of the improvements with the solar system and the value of the improvements if equipped with a conventional heating or cooling system.
http://www.co.stephenson.il.us/assessor/forms/PTAX_330.pdf

B. Taxes, Rebates and Incentives

Property Owners are solely responsible for the Federal, state and local tax consequences of participating in Chicago PACE. Property Owners should consult their tax advisors with respect to tax implications, including whether any part of the assessment is a deductible expense and whether there are any tax credits or other tax incentives available.

Federal, state, local and utility rebates and incentive programs exist for certain Energy Projects. Federal, state and local laws and rebate programs may change at any time. Property Owners are responsible for identifying and applying for any eligible incentives and rebates.

The Cook County property assessor may reappraise your property upon completion of your project. Property Owners are responsible for any increase in real property taxes resulting from such increased assessment. This does not necessarily mean that the entire property is reassessed. The property appraiser's office usually has a method of determining the incremental improvement value based on the building permit issued. Each Property Owner should conduct its own investigation as to whether and to what extent its property will be reassessed upon completion of the installation of Energy Projects.

C. Disclosures

The Program reserves the right to modify the terms and conditions of the Program at any time and from time to time without notice. However, once a Property Owner enters into an Assessment Contract, no such modification will affect such Property Owner's Assessment Contract or obligation to pay its assessment in accordance with the terms and conditions set forth in its Assessment Contract.

The Program may make exceptions to the terms and provisions detailed in this Guidebook where there is a finding that such exception furthers the goals and objectives of the Program. Exceptions may require additional administrative fees which will be disclosed to the Property Owner.



References in this Guidebook to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such laws, rules, regulations, resolutions, agreements, reports and documents are qualified in their entirety by references to the particular laws, rules, regulations, resolutions, agreements, reports and documents, the full text of which may contain qualifications of and exceptions to statements made herein. No representation or warranty is made as to the accuracy or completeness of such laws, rules, regulations, resolutions, agreements, reports and documents referenced herein.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against an applicant on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Division of Credit Practices, Washington D.C. 20580.

As part of assembling your Application, the Program Administrator may request a consumer report on your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: As part of applying to the Program, the Program Administrator may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Program Administrator may also need a copy of the driver's license or other identifying documents from any and all Property Owner(s) or, if a Property is owned by an entity, all the owners of the entity.

If you have any questions about any mortgages, deeds of trust, loan agreements or security instruments which affect the property or to which you are a party, or about your authority to execute a Program Application or enter into an Assessment Contract with the City, the Program strongly encourages you to consult with your own legal counsel and your lender(s). Neither the Program Administrator nor other Program representatives can provide you with advice about any of these matters.

The Program may monitor or record telephone calls for security and customer service purposes. By submitting a signed Application, you consent to have any phone conversations monitored or recorded.

D. Dispute Resolution Management

Loop-Counterpointe PACE strives to be a best-in-class organization. Nonetheless, it is inevitable that issues or concerns will arise. The Program Administrator will address complaints and resolve disputes, all with a view toward achieving mutually satisfactory resolutions, keeping relationships intact and avoiding legal proceedings.

The Program Administrator will actively manage all complaints to deliver a satisfactory resolution as expeditiously as possible from the time the complaint is brought to our attention. Upon receipt of your written complaint, a Program manager will work with all parties to resolve the complaint in a timely manner. The fact that you have filed a written complaint with us does not affect your obligations under the Assessment Contract and you should continue to comply with all requirements of that agreement.

All conversations, correspondence (including emails), negotiations and any mediation conducted pursuant to this dispute resolution process are confidential and shall be treated as compromise and settlement negotiations, to which the Illinois Uniform Mediation Act found at 710 ILCS 35/1 et seq. shall apply.



IX. Appendices

Exhibit A - Program Fees

Exhibit B - Program Checklist

Exhibit C - Illinois Finance Authority Bond Process



EXHIBIT A
CHICAGO PACE PROGRAM FEES

	Paid To	Amount Calculated As:	Notes
Application Fee	Program Administrator	\$500	Netted against Program Administration Fee at closing
Program Administration Fee	Program Administrator	1% of total Eligible Project Costs	
City of Chicago Program Fee MWBE Program Outreach Fee	City DPD	0.125% of the total bond amount at issuance and 0.125% of the total Eligible Project Costs	MWBE Outreach Fee is used to develop and implement strategic marketing campaigns to increase participation of MWBE entities
City of Chicago Refinancing Fee	City DPD	2% of total Eligible Project Costs	Refinancing transactions only. To the extent the owner is unable to comply with City MWBE and Residency Targets.
Bond Private Placement Fee¹	Loop Capital	0.125% of the total bond amount at issuance	
Program Legal Fee	Program Administration's Counsel	As applicable/TBD	
IFA Bond Counsel Fee²	Foley & Lardner	0.25% of the total bond amount at issuance	Minimum Fee of \$7,500
IFA Bond Issuance Fee	IFA	0.50% of the total bond amount at issuance	\$10,000 minimum on all assessments under \$2M with a \$250,000 cap per issuance certificate
Bond Trustee Issuance Fee	Wilmington Trust	Est \$250	\$250 for the initial review and set up fee
Bond Trustee Initial Fee	Wilmington Trust	Est \$450	First year fee is payable in advance and may be capitalized at issuance

NOTE: There will be various fees associated with the issuance of each Capital Provider's form of IFA Indenture not included in the estimates above. Please contact the Program Administrator for information.

¹If Investor requires DTC eligible/CUSIP bonds, there may be additional fees and expenses.

²Fees assume the IFA form documents, including the indenture. In addition, payment of counsel fees and expenses is not contingent upon the completion of the financing. In the event the financing fails to close for any reason, payment of counsel's actual time and expenses to date not to exceed 0.25% of the par amount approved pursuant to the Application submitted to IFA shall be billed to the Capital Provider.



EXHIBIT B
PROGRAM CHECKLIST

ILLINOIS FINANCE AUTHORITY / LOOP-COUNTERPOINTE
TAXABLE PROPERTY ASSESSED CLEAN ENERGY REVENUE BONDS
(CHICAGOPACE) SERIES 2019A

CLOSING MEMORANDUM AND TRANSCRIPT INDEX

Closing:

Participants: Authority – Illinois Finance Authority

City – City of Chicago, Illinois

Foley – Foley & Lardner LLP, as bond counsel

Initial Purchaser –

Program Administrator – Loop-Counterpointe PACE LLC

Record Owner – [], a [] limited liability company

Servicer – Counterpointe Energy Services LLC (CP Services)

Trustee – Wilmington Trust, National Association

Lender – []

[], attorney to Initial Purchaser

Designated Transferee – []

Placement Agent – Loop Capital Markets LLC

Basic Instruments

1. Master Indenture among Program Administrator, Trustee and Authority.
 - a. Exhibit A – Form of Issuance Certificate.
 - b. Exhibit B – Permitted Investments.
 - c. Exhibit C – Form of Written Request for Disbursement from Project Fund.
 - d. Exhibit D – Form of Written Request for Disbursements from Cost of Issuance Fund.
 - e. Exhibit E – Form of Written Request for Disbursements from Administrative Expense Fund
 - f. Exhibit F – Form of Investor Letter
2. Issuance Certificate among Authority, Trustee, Initial Purchaser and Program Administrator.



- a. Schedule I – Description of Assessments and Bond Terms.
 - b. Attachment A – Form of Current Bond.
 - c. Attachment B – Form of Opinion of Bond Counsel
 - d. Attachment C – Debt Service Schedule for Current Bonds.
 - e. Attachment D – Administrator’s Issuance Certification and Compliance Certificate.
3. Private Placement Agent Agreement among Authority, Initial Purchaser, Placement Agent and Program Administrator.
 4. Notice to Lenders and Lender Consent executed by Record Owner and Lender.
 5. Recorded Assessment Contract executed by City and Record Owner.
 6. Recorded Assignment Agreement between City and Authority.
 7. Servicing Agreement among Initial Purchaser, Servicer and Program Administrator.
 8. Services Agreement between Servicer and Program Administrator.
 9. Specimen Bond.
 10. Governmental Unit Ordinance designating the Program Administrator and creation of PACE Area and attaching Program Report.
 11. Amended Governmental Unit Ordinance.
 12. Disbursing Agreement among Initial Purchaser, Record Owner, Mortgage Lender.
 13. Construction Loan Escrow Trust Agreement among Initial Purchaser, Record Owner, Mortgage Lender, Chicago Title, General Contractor and Construction Manager.
 14. Certificate of the Authority.
 - a. Exhibit A – IFA PACE Bond Resolution.
 - b. Exhibit B – Form of Notice of Meeting.
 - c. Exhibit C – List of Members and Officers as of the date of the PACE Bond Resolution and Incumbency Certificate.
 - d. Exhibit D – By-Laws of Authority.
 15. Filed UCC Financing Statement.
 16. Borrower’s Closing Certificate.
 17. Manager’s Certificate of Borrower, including Exhibits:



- a. Good Standing Certificate.
- b. Resolutions.
- c. Incumbency.
- d. Organizational Documents.
- 18. Title Commitment and Report.
- 19. Certificate and Acceptance of the Trustee and Receipt of Proceeds.
- 20. Trustee Written Request for Disbursement of Funds.
- 21. Opinion of Bond Counsel.
- 22. Conformance Opinion of Bond Counsel.
- 23. Purchaser's Receipt for Bonds.
- 24. Investor Letter.



EXHIBIT C

ILLINOIS FINANCE AUTHORITY BOND PROCESS

In order for a Program Administrator to have the Authority issue PACE Bonds (and thereby facilitate access to capital to potential Record Owners in the Program Administrator's program), a Program Administrator must execute a Master Indenture and related Issuance Certificate in substantially the form on file with the Authority. The Authority also requires a Compliance with Laws Side Letter, executed by the Record Owner, which represents and warrants the Record Owner's compliance with certain statutes, laws, ordinances, etc.

Located on the Authority's website is the IFA Bond Handbook, Pages 60 through 78 discuss the Authority's preferences regarding the PACE Assessment Contract, Assignment Agreement, and Master Indenture. The Handbook also discusses Trustee Qualifications, Post-Closing Monitoring and Compliance, Certificates of Completion, and Site Visits.

The Handbook also has a sample "Form of PACE Bond Resolution", "Form of Certificate of the Authority (PACE Bonds)", "Form of Issuer's Counsel Opinion" and the "Form of Compliance with Laws Side Letter (PACE Bonds)".

The Assignment Agreement is a document used in the financing process whereby the City will pledge and assign Assessment Contracts and the related assessment and lien to Capital Providers or their designated transferees, as security for the bonds.