

PACE~Property Assessed Clean Energy



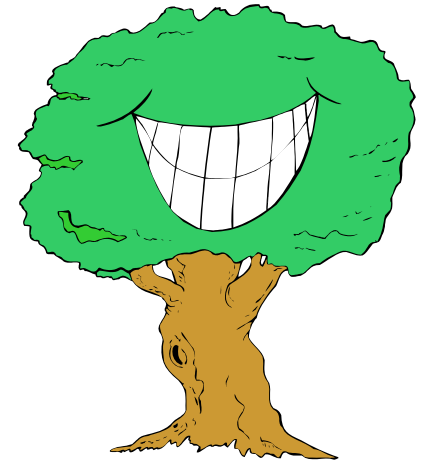
Nuts and Bolts



- Property classified as commercial/industrial
- Applicant(s) is/are legal owner of the property described in the Application (the “Property”).
- Property is developed and located within the 18 county area served by the RMEB.
- Property Owner is current on all mortgage(s). Property Owner is not in bankruptcy and the property is not an asset in a bankruptcy proceeding.
- There are no federal or state income tax liens, judgment liens, or similar involuntary liens on the Property.

Nuts and Bolts, cont.

- Improvement costs are reasonable for the scope of the proposed project and in relation to Property value.
- Requested Financing Amount does not exceed 10 percent of the Property Market Value or the actual cost of installing the energy improvements, including the cost of necessary equipment, materials, and labor, the costs of energy audit or renewable energy feasibility study, and the cost of verification of installation, less the value of expected rebates.



Nuts and Bolts, Part III

- Term of financing requested does not exceed the weighted average of the useful life of the Improvements.
- Applicant(s) has/have obtained an energy audit or renewable energy feasibility study on the Property.



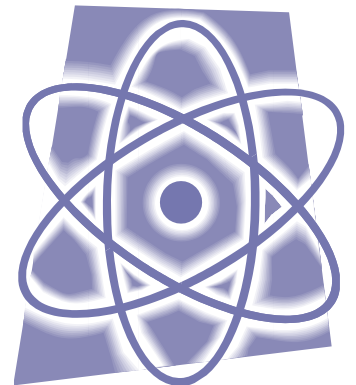
Miscellaneous

- Debt obligation is attached to the property
- Financing is secured with a lien on the property, and like other taxes, is paid before other claims against the property in the case of foreclosure.
- A 6% interest rate is proposed
- Credit report will be required
- Improvements are considered fixtures



Real Life Example

- A business has an energy audit performed and finds that there is opportunity for significant cost savings.
- The 2012 EMV on the property is \$770,000.
- Per the PACE RLF guidelines, they would be eligible for \$77,000 in loan dollars (10% of the total property value)



What are the potential savings?

IMPROVEMENT TYPE	OPERATING COSTS (current)	RETROFIT COSTS	ANNUAL OPERATING COSTS (new)	ANNUAL SAVINGS
Boiler System	\$39,375	\$46,000	\$17,730	\$21,645
Water Heater	\$13,230	\$22,000	\$6,024	\$7,206
Lighting	\$5,722	\$8,950	\$2,614	\$3,108
TOTALS	\$55,198	\$76,950	\$26,368	\$31,959



Financing

- \$76,950 (principal)
- \$770.00 (origination fee)
- \$1,000 (“other”-attorney, recording, etc.)
- **\$78,720 TOTAL FINANCED**
- Can be amortized over 5-20 years—depending on the useful life of the equipment and RLF Committee determination.



Making the payments.....

	PAYMENT	PRINCIPAL	INTEREST
MAY 14	9228.39	6866.79	2361.60
OCT 14	9228.39	7072.79	2155.60
MAY 15	9228.39	7284.98	1943.41
OCT 15	9228.39	7503.53	1724.86
MAY 16	9228.39	7728.63	1499.76
OCT 16	9228.39	7960.49	1267.90
MAY 17	9228.39	8199.31	1029.08
OCT 17	9228.39	8445.29	783.10
MAY 18	9228.39	8698.64	529.75
OCT 18	9228.39	8959.55	268.79
TOTALS	\$92,283.85	\$78,720.00	\$13,563.85

Win-Win Situation



- Annual payments on their taxes are \$18,456.78.
- Total annual savings in energy costs were \$31,959.
- Bottom line is decreased by more than \$13,500
- Total interest paid after 5 years is \$13,563.