



FILE NO. _____

PACE Reservation Form

**Los Angeles County
Commercial
Property Assessed Clean Energy (**PACE**)
Program**

County of Los Angeles and Participating Cities

LA County Commercial PACE Program
c/o Willdan Financial Services
27368 Via Industria Ste. #110
Temecula, CA 92590
Phone (800) 755-6864 Fax (888) 326-6864
www.energyupgradeca.org/LAPACE

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An intelligent way to fund performance upgrades of commercial buildings.

Part 1 PACE RESERVATION FORM



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PACE RESERVATION CHECKLIST

Thank you for your interest in the LA County Commercial PACE Program.

For your convenience and use, the following checklist will help you track all the necessary forms and documents needed to successfully submit your PACE Reservation.

- Completed and signed Reservation Form including Appendix A: Proposed Project Form
- Organizational documentation (i.e. Power of Attorney, Incorporation documents) if applicant is not the only listed owner on the title report.
- Two most recent mortgage statements or other evidence that all mortgages or any other loans secured by the Property are current. If the Property is not subject to any mortgage lien, recorded documentation (such as the Title Report or lien release) shall be provided by applicant and verified by the Program Administrator.

For questions regarding this application process please call **800.755.6864** or send an e-mail to **LA-PACE@energyupgradeca.org**

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PACE RESERVATION INSTRUCTIONS

Please complete and sign the attached PACE Reservation Form. Please type or print neatly in blue or black ink. Incomplete or incorrect PACE Reservation Forms cannot be processed.

All recorded owners must sign the PACE Reservation Form, as well provide the Required Documentation listed on page 10.

Please keep a copy of your completed PACE Reservation Form and any supplemental documents submitted. If you intend to request multiple disbursements, please keep copies of all receipts, paid invoices, and contractors' improvement contracts. Please refer to the Payment Disbursement Policy on page 8.

Please submit your completed PACE Reservation Form by mail, fax, or secure file upload:

Mail

LA County Commercial PACE Program
c/o Willdan Financial Services
27368 Via Industria Ste # 110
Temecula, CA 92590

Fax

(888) 326-6864
Attn: LA County Commercial PACE - Program Administrator

Secure File Upload

Send an email to LA-PACE@energyupgradeca.org and we will send you instructions on how to securely upload your application online.

Questions?

For questions regarding the status of your PACE Reservation please contact us:
(800) 755-6864 or LA-PACE@energyupgradeca.org

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PACE APPLICATION PROCESS

- Step 1** Review what types of upgrades are financeable through PACE (beginning on page 7). What projects would you like to do, but have not been able to find funding for?
- Step 2** Review the Property Eligibility Criteria on page 6 of this PACE Reservation to make sure your property is eligible for PACE. Most non-residential properties in LA County that are current on property taxes will qualify.
- Step 3** Work with a qualified engineer or auditor to define a Scope of Work, and build the business case for the project. The analysis must be equivalent to an ASHRAE Level 2 Energy Audit, and show costs and savings estimates for all proposed measures. You can work with your own in-house engineers or with an independent firm of your choice. For properties in the City of LA, no-cost Savings Opportunity Assessments are available for qualifying properties, under the Los Angeles Commercial Building Performance Partnership (LACBPP). Please check the www.lacommercialbpp.com website for eligibility requirements. Properties in Southern California Edison territory may be eligible to receive an energy audit from SCE. Please visit www.sce.com/business/business.htm for more information.
- Step 4** Once your PACE Reservation Form is complete, please submit to the Program Administrator via mail, fax, or secure file upload.
- Step 5** Once you receive approval of your PACE Reservation and if you have not already done so, you may work with the PACE investor(s) of your choice to negotiate the terms of your PACE financing.
- A list of PACE investors is available at www.energyupgradeca.org/LAPACE, or your mortgage lender may elect to fund the project directly.
- Step 6** Work with the entity that holds your mortgage to discuss the merits of the project, and the business case for why the mortgage holder should grant consent to a PACE assessment. You will need to obtain a Lender Consent Form in order to finance your upgrade using PACE. The Clinton Climate Initiative is available as a *pro bono* resource to assist in this process. Please contact the Program Administrator for further information.

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PACE APPLICATION PROCESS

- Step 7** Once all parties have executed the Lender Consent Form, the Investor Commitment Letter, and any Inter-creditor Agreement, please submit these documents to the Program Administrator for final review, along with the final Scope of Work and supporting documentation. Together these documents comprise the PACE Financing Application Package, Part 2.
- Step 8** Once the completed PACE Financing Application Package is approved, the Program Administrator will contact you to begin the process of drafting the Transaction Documents.
- Step 9** Close financing pursuant to the Transaction Documents and begin implementation of your performance upgrade. Disbursements will be made pursuant to the Transaction Documents.

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PACE GOVERNANCE

The Assessment Contract and Loan Agreement will be entered into as provided for in the State law, Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), as amended by AB 811.

ELIGIBILITY REQUIREMENTS

All owners of improved non-residential, non-publicly-owned income-producing real commercial property in participating cities within Los Angeles County are eligible to submit a PACE Reservation. Qualifying property owners may be individuals, partnerships, REITs, or any property owner who receives a property tax bill. At this time, PACE financing is not available for residential properties (including multifamily properties), or non-residential properties that are not subject to property taxes, such as governmental entities.

To be eligible for PACE financing in Los Angeles County, the property must meet the following minimum eligibility requirements:

- The property is located within Los Angeles County, and if within the boundaries of a city, the city has adopted a resolution opting into the Los Angeles County Energy Program to support PACE transactions;
- The property is not undergoing development at the time of project financing;
- The property is not subject to any involuntary liens or judgments;
- Property taxes and assessments are current on the property and have not been delinquent for a period up to five years (or since the date of the most recent transfer if less than five years);
- The property is subject to the appropriate jurisdiction's (County, city, or town) permitting and inspections and all other applicable federal, State, and local codes and regulations;
- The property is used for commercial purposes and is not residential and not publicly owned;
- The applicant is the legal owner of the property, and all the legal owners of such property agree to participate;
- All existing private lien holders on the property acknowledge/consent to the PACE assessment;
- The property owner certifies that he/she is not in bankruptcy and the property is not an asset in a bankruptcy proceeding;

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ELIGIBILITY REQUIREMENTS - continued

- The property owner certifies that he/she has not declared bankruptcy within the last 10 years;
- The property owner certifies and demonstrates that he/she is current on his/her mortgage, has not defaulted on the deed(s) of trust and can legally enter into the Program;

Upon receipt of the completed PACE Reservation Form, the Program Administrator will carry out a preliminary title search and other related due diligence to verify that the above criteria are satisfied.

ELIGIBLE IMPROVEMENTS

According to the enabling legislation, AB 811 and AB 474, in order to be eligible, upgrades must be permanently affixed to the property and must be proven to save either energy or water, or to generate clean power. Rather than prescribe a list of eligible measures, projects will be evaluated on a case-by-case basis for compliance with the law. So long as the measure is affixed to the property and can be reasonably proven to save energy or water, or generate clean power, it will be deemed eligible for PACE financing.

It is expected that each property owner will do its own due diligence to ensure that selected energy improvements realize the energy savings expected. The PACE Program Administrator will review the Proposed Project Form solely to ensure that the proposed improvements are financeable through PACE.

Pursuant to Loading Order requirements promulgated by the California Energy Commission, projects must achieve a 10% energy efficiency improvement before on-site power generation can be funded through PACE. The scope of work and projected energy efficiency improvement must be documented by an ASHRAE Level 2 Energy Audit carried out by a qualified engineering firm.

Examples of performance upgrades eligible for PACE include, but are not limited to:

- High-efficiency lighting fixtures, lamps & controls
- Occupancy & day-lighting sensors
- Heating Ventilation & Air Conditioning (HVAC) equipment or controls upgrades, including thermostats
- Variable Speed Drives (VSDs)
- High-efficiency pumps & motors
- Chiller / Boiler / Cooling Tower
- Building Automation Systems (BAS) / Energy Management Systems (EMS) installation / upgrades
- Building envelope upgrades that affect energy consumption / load, including green or reflective roofs, window film, window upgrades, or thermal barrier paint
- CO2 sensors to enable demand controlled ventilation
- Fuel Cells to generate cleaner electricity
- Solar Thermal / Photo Voltaic (PV) systems to generate electricity

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ELIGIBLE IMPROVEMENTS - continued

- Combined Heating and Power (CHP) / Combined Cooling, Heating and Power (CCHP) systems
- Elevator modernization
- Faucet aerators
- High-efficiency toilets and urinals
- Smart irrigation systems

Examples of upgrades NOT eligible for PACE include, but are not limited to:

- Measures that do not involve upgrading physical energy / water consuming equipment, such as pure repairs / optimization
- Any equipment that is not affixed to the property and/or is normally removed when a tenant vacates a space
- Office equipment such as printers or copiers
- Tenant improvements such as carpeting / flooring, furniture, etc.
- Food / beverage equipment such as coffee machines

ELIGIBLE COSTS

Eligible costs of the Improvements include the cost of surveys and audits, permits and inspections, equipment, installation from licensed, approved professionals, and follow-up inspections. Installation costs may include, but are not limited to, energy audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges. A qualified contractor of the property owner's choice can be selected to complete installation of Improvements.

For each property, the Program Administrator will determine whether the estimated equipment and installation costs are reasonable. The Program Administrator will evaluate market conditions and may require the property owner to provide additional bids to determine whether costs are reasonable. While the property owner will be able to choose the contractor of his/her choice, the amount eligible for the LA County Commercial PACE Program may be limited to the amount deemed reasonable by the Program Administrator. Projects that exceed a certain size and dollar amount may be subject to additional review.

PAYMENT DISBURSEMENT POLICY

The construction payment disbursement schedule will be arranged between the investor, the property owner and the contractor(s), and will be detailed in the Transaction Documents. LA County will release funds upon owner's request, pursuant to such schedule. Multiple disbursement fees may apply. LA County or its designated agent will serve as Trustee, and will make disbursements pursuant to the Transaction Documents.

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SECTION 1: Applicant Information

OWNER 1 _____	Last 4 DIGITS OF SSN OR TIN XXX-XX- _____ TIN _____
OWNER 2 _____	Last 4 DIGITS OF SSN OR TIN XXX-XX- _____ TIN _____
OWNER 3 _____	Last 4 DIGITS OF SSN OR TIN XXX-XX- _____ TIN _____
OWNER 4 _____	Last 4 DIGITS OF SSN OR TIN XXX-XX- _____ TIN _____

PROPERTY OWNER(S) FORM OF OWNERSHIP

<input type="checkbox"/> Individual(s) / Joint Tenants/ Common Property (Not in Trust)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Real Estate Investment Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> Trust / Trustees / Living Trust
<input type="checkbox"/> Other (Please specify) Description of other _____		

PRIMARY CONTACT

NAME _____	TITLE _____
EMAIL ADDRESS _____	DAYTIME PHONE NUMBER _____

SUBJECT PROPERTY PHYSICAL ADDRESS AND ASSESSOR'S PARCEL NUMBER

STREET ADDRESS _____	CITY _____	CALIFORNIA ZIP CODE _____
ASSESSOR'S PARCEL NUMBER(S) _____		

MAILING ADDRESS (if different)

STREET ADDRESS _____	CITY _____	CALIFORNIA ZIP CODE _____
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SECTION 2: Property Information

PROPERTY INFORMATION

<input type="checkbox"/> OFFICE	<input type="checkbox"/> HOTEL / LODGING	<input type="checkbox"/> PRIVATE SCHOOL/COLLEGE
<input type="checkbox"/> WAREHOUSE / INDUSTRIAL	<input type="checkbox"/> SCHOOL / COLLEGE	<input type="checkbox"/> RETAIL
<input type="checkbox"/> HEALTHCARE	<input type="checkbox"/> OTHER* (describe) _____	

BUILDING SQUARE FOOTAGE _____

*PACE is available only for upgrades to existing non-residential income-producing real property.

SECTION 3: Required Documentation

<input type="checkbox"/>	Organizational documentation (i.e. Power of Attorney, Incorporation documents) if applicant is not the only listed owner on the title report.
<input type="checkbox"/>	Two most recent mortgage statements or other evidence that all mortgages or any other loans secured by the Property are current. If the Property is not subject to any mortgage lien, recorded documentation (such as the Title Report or lien release) shall be provided by applicant and verified by the Program Administrator.
<input type="checkbox"/>	Completed proposed Project Form - Appendix A

Please note that the PACE Program Administrator may request additional information and documentation they believe is necessary to prudently administer the Program.

SECTION 4: Fees and Transaction Costs

TRANSACTION AND ADMINISTRATIVE COSTS

- Recording Fee - \$100: Due at signing of Assessment Contract for recordation of Assessment Lien documents and assessment contract.
- Legal costs associated with negotiation and drafting of Transaction Documents are the responsibility of the applicant and may be capitalized in the amount financed. These costs include, but may not be limited to:
 - \$1,000 for required Notice of Assessment and Assessment Diagram
 - \$600-\$900 for Title Search
- All projects require proper permits and may incur permit fees.
- Assessment collection and administrative costs will be added to the annual assessment on property tax bills.
- Payoff Quote - \$250: Due upon request from requesting party. Covers the cost for prepayment quotes of assessment liens and coordination of the Release of Lien of any prepaid assessments.

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SECTION 5 : Declarations

By signing this PACE Reservation, the undersigned hereby declares:

1. That (i) the information provided in this LA County Commercial PACE Program is true and correct as of the date set forth opposite my/our signature(s) on this PACE Reservation and (ii) that Applicant understands that any intentional or negligent misrepresentation(s) of the information contained in this PACE Reservation may result in legal consequences.
2. Applicant warrants that he/she is authorized to sign binding contracts on behalf of his/her organization, without the consent of any third party which has not been previously obtained.
3. In order to measure the impact of LA County Commercial PACE Program, the Program may seek to track improvements in energy and water efficiency amongst participating properties. While property level data is required for this purpose, this data will not be disclosed in any form that will enable anyone to discern a specific property's energy consumption. Individual property data will be kept anonymous, and presented only as part of an aggregate statistical analysis. By signing this PACE Reservation Form you indicate that you agree to share pre- and post-project energy and water consumption data with the Program following the completion of the improvements, in order to facilitate high level analysis of the Program's impact. The administrators of Commercial PACE in Los Angeles County may contact you to request information regarding the performance of your upgrade.
4. Applicant agrees that the selection of any product(s) or equipment referenced in this PACE Reservation (the "Improvements"); the selection of any manufacturer(s), dealer(s), supplier(s), contractor(s) and installer(s); and the decision regarding the purchase, installation and ownership/maintenance of the improvements is the Applicant's choice, and that Applicant has not relied upon any representations or recommendations of the County of Los Angeles, city where property is located, its agents, representatives, assignees, or employees in making such selection or decision and that my manufacturer, dealer, supplier, contractor or installer of the Improvements is not an agent, employee, assignee or representative of the County of Los Angeles or the city where property is located.
5. Applicant understands that the County of Los Angeles or the city where the property is located makes no warranty, whether express or implied, with respect to the choice, use or application of the improvements, including without limitation, the implied warranties of merchantability and fitness for any particular purpose, use or application of the improvements.
6. Applicant agrees that the County of Los Angeles or the city where the property is located has no liability whatsoever concerning (i) the quality or safety of any improvements, including their fitness for any purpose, (ii) the estimated energy savings produced by or performance of the improvements, (iii) the workmanship of any third parties, (iv) the installation or use of the improvements including, but not limited to, any effect on indoor pollutants, or (iv) any other matter with respect to the County of Los Angeles or the city where the property is located.

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7. Applicant understands that Applicant must comply with all requirements of the County of Los Angeles and the city where the property is located, in addition to complying with all applicable Federal/State/County/City laws and any agreement which affects the Property or the use of the Property.

Signed on this _____ Day of _____, _____
DATE MONTH YEAR

In the City of _____, State of California.
CITY

PROPERTY OWNER SIGNATURE

PRINTED NAME

PROPERTY OWNER SIGNATURE

PRINTED NAME

PROPERTY OWNER SIGNATURE

PRINTED NAME

PROPERTY OWNER SIGNATURE

PRINTED NAME

THE FEDERAL EQUAL CREDIT OPPORTUNITY ACT, WHICH MAY APPLY TO THIS TRANSACTION, PROHIBITS CREDITORS FROM DISCRIMINATING AGAINST CREDIT APPLICATIONS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, AGE (PROVIDED 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, EQUAL CREDIT OPPORTUNITY, WASHINGTON, DC 20580.

Appendix A : Pace Reservation Proposed Project Form

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Please complete the table below with information on the proposed project(s) to be financed through PACE.

Description of Proposed Improvements	End Use ¹	Total Gross Annual Project Est. Savings				Total Proposed Project Costs				EUL ⁵
		kWh/yr	kW	Therms/Yr	Gallons/Yr	Equipment Cost ²	Installation Cost ³	Other Costs ⁴	TOTAL	
<i>EXAMPLE: CHILLER REPLACEMENT</i>	<i>AC & R</i>	<i>580,000</i>	<i>64.5</i>	<i>N/A</i>	<i>N/A</i>	<i>\$ 900,000</i>	<i>\$ 635,000</i>	<i>\$ 15,000</i>	<i>\$ 1,550,000</i>	<i>25</i>
TOTALS										

1. End Use descriptions- L: Lighting, AC&R: Air Conditioning & Refrigeration, SG: Self Generation, ENV: building envelope or roof, or O: Other
2. Equipment Cost - Limited to the Actual Cost of the Equipment: e.g., no labor, taxes, shipping & handling, delivery charges, removal of existing equipment, etc.
3. Installation Cost - Includes items other than the Actual Cost of the Equipment; e.g., labor, taxes, shipping & handling, delivery charges, removal of existing, etc.
4. Other Costs - Examples include the labor and materials required to perform an audit assessment and to estimate and analyze the project's energy savings.
5. EUL - The Effective Useful Life of the equipment.