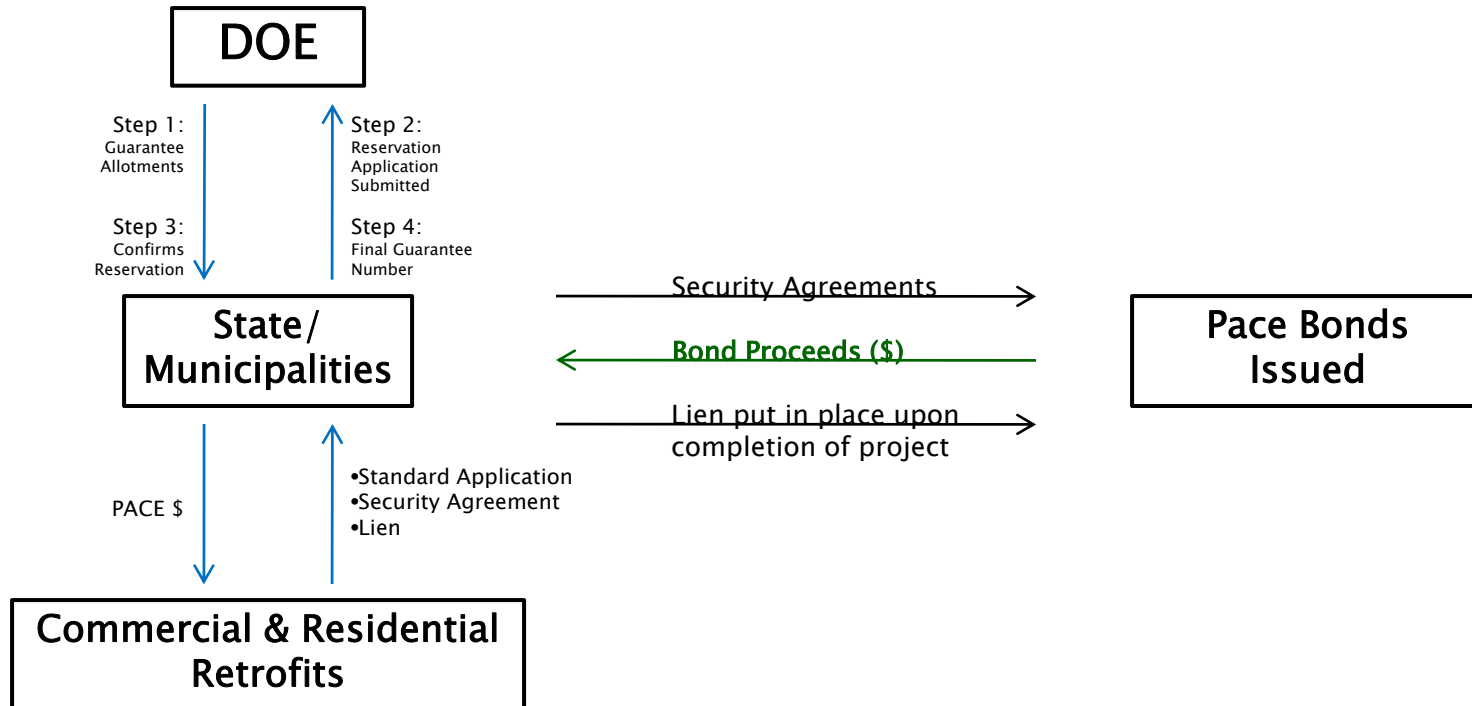


PACE Guarantee Distribution Model – “Reservation System”

Annual: DOE provides guarantee “reservation” to states that have requisite enabling legislation

- State/municipalities apply to “reserve” portion of state allotment
 - Simple “best practice” application form
- DOE confirms “reservation” (within weeks of receipt: This gives needed certainty)
 - When bond proceeds are issued, guarantee becomes effective



- Projects must meet certain standards
Ex)
 - PACE lien to value is less than 10%...