



## FINAL APPLICATION

### Overview

The Final Application for a C-PACE Project should be prepared and submitted by a Property Owner or its designated representative after receiving Pre-Application approval from the Philadelphia Energy Authority (PEA). Before submitting this application and the required attachments, be sure to review the Program Guidelines thoroughly and consult the application checklist on Page 3 of this document. Applicants are asked to submit all documents through an online file hosting service.

PEA will review the Final Application and its attachments to ensure compliance with the Program Guidelines, the Pennsylvania C-PACE Statute and the Philadelphia C-PACE Ordinance. PEA will typically provide the Property Owner with written Notice of Philadelphia C-PACE Approval or request for more information within fifteen (15) business days of submission of a completed Final Application, unless the project's technical features require additional technical review. If PEA finds that the Property Owner's Final Application is incomplete, PEA will notify the Property Owner who will have the opportunity to complete any missing information. Upon resubmission of a completed Final Application, the Program Administrator will typically complete its review within fifteen (15) business days and respond in writing with written Notice of Philadelphia C-PACE Approval or with an explanation of why the project did not receive final approval.

Upon receipt of the Notice of Philadelphia C-PACE Approval, the Property Owner, Capital Provider, City of Philadelphia and PEA may enter into the C-PACE Statement of Levy and Lien Agreement to officially create the C-PACE Assessment. The Property Owner will have submitted an execution-ready version of the C-PACE Statement of Levy and Lien Agreement with its Final Application. Once the Property Owner and Capital Provider sign, PEA will sign the agreement and will facilitate the City's signature. PEA will then record the fully-executed C-PACE Statement of Levy and Lien Agreement on the property through the Philadelphia Department of Records.

If you have any questions in the course of preparing or submitting your Final Application, please feel free to contact the Program Administrator:

Website	<a href="http://PhiladelphiaCPACE.org">PhiladelphiaCPACE.org</a>
PEA Website	<a href="http://www.philaenergy.org">www.philaenergy.org</a>
Email	<a href="mailto:CPACE@philaenergy.org">CPACE@philaenergy.org</a>
Phone	215-686-4483



## FINAL APPLICATION

### Instructions & Application Checklist

The Property Owner or its designated representative may fill out and submit the Final Application. If a designated representative is handling the application, attach an explanation of the relationship to the Property Owner and provide proof of authorization to take action and make representations on behalf of the Property Owner.

The Philadelphia C-PACE program has a lien-to-value limitation of 95%, meaning that the total encumbrances on the Property (including all mortgages and the C-PACE financing amount) must be less than 95% of the Property's value. Property Owners are asked to list the total amount of all obligations secured by the Property. Property Owners may use their City-assessed value or the value from a private appraiser. The assessed or appraised value used in the lien-to-value calculation may be based on the property value as is, or the projected property value after completion of the C-PACE project. In the case of new construction or gut rehab, the property value used in the lien-to-value calculation may be based on the projected property value upon completion of all planned work.

A checklist of items required to be submitted with this completed Final Application is on the next page.



### **Philadelphia C-PACE Final Application checklist**

- ☐ Signed Final Application
- ☐ Capital Provider Statement regarding Qualified Contractor
- ☐ Qualified Contractor Certification to Capital Provider (submission of this form is optional but strongly encouraged)
- ☐ Qualified Contractor Terms and Conditions Self-Certification (Appendix H) or (Appendix HA for retroactive projects)
- ☐ Signed Mortgage/Lienholder Consent Form (s) (Appendix J)
- ☐ Signed Program Administrator Disclosure and Release Form (Appendix K)
- ☐ Execution-Ready Statement of Levy and Lien with complete set of exhibits and attachments. Word version will be provided to those with approved pre-application (Appendix D)
- ☐ Project Survey (see Program Guidelines, 4.3 for energy and water projects and optional form with energy model files or input and output reports for whole building modeling). See Program Guideline Addendum for Resiliency or IAQ project requirements
- ☐ Title Report - issued within 60 days of expected closing date
- ☐ Plan for Payment of Program Expenses (project proforma or amortization table shows program expenses)
- ☐ Diversity and Inclusion Plan (must be comprehensive - see Appendix L of Program Guidelines)
- ☐ Appendix M – Signed Disclosures and Recommendations
- ☐ Property Description (Word format; not an image)
- ☐ Tax Clearance Certificate clear through expected closing date (<https://rev.phila.gov/taxcompliance/>)
- ☐ Verification of Property Enrollment in EPA Portfolio Manager (Appendix E)
- ☐ Philadelphia License & Inspection Department Records (if applicable)
- ☐ Zoning/ Planning Approvals (if applicable)
- ☐ Evidence that property owner will maintain insurance on the Property (clause in Financing Agreement is acceptable evidence)
- ☐ Contact Information form
- ☐ Excel version of amortization table (at closing)



## FINAL APPLICATION FORM

### 1. PROPERTY INFORMATION

Address

City, State, Zip Code

EIN

OPA Account #

Property Type / Description

### 2. POINT OF CONTACT INFORMATION

Contact Name

Company Name

Title

Email Address

Phone Number

Mailing Address

*(if different than property address)*

### 3. PROPERTY OWNER INFORMATION

Legal Entity that owns the Property

Business Classification of Property Owner

Key Principal Name *(if different from point of contact)*

Key Principal's Title *(if different from point of contact)*

Has the Property Owner ever filed for bankruptcy?

No

Yes

If Yes, date of filing:

If Yes, explain:

### 4. PROJECT TYPE (CHECK ALL THAT APPLY)

Project Type:

New Construction/Gut Rehab

Retrofit

Retroactive Financing

Work to be financed by C-PACE:

Energy Efficiency

Water Efficiency

Renewable Energy

IAQ

Resiliency

REQUIRED: If you are not installing renewable energy, explain if it was considered and why you decided against it:



## APPLICATION FORM

### 5. CONTRACTORS AND SERVICE PROVIDERS

Primary Contractor(s)

Qualified Engineering Professional / Firm

Estimated Project Completion Date

Explain Contractor involvement in the Diversity and Inclusion Plan submitted as part of this application. D&I Plan must include all elements required in Appendix L of the Program Guidelines

### 6. MORTGAGE/LIEN HOLDER(S)

Name of Financial Institution or Lienholder

Total Outstanding Lien Balance  
(If there is more than one lienholder on the property, attach a list of all lienholders and lien amounts)

Assessed or Appraised Value of Property

Date of Assessment or Appraisal

Source of Assessment or Appraisal  
(Attach supporting documentation)

Total Encumbrances (Incl. C-PACE Financing Amount) as a Percentage of Property Value (95% maximum per Program Guidelines)

Have you received consent from Mortgage / Lienholder?

Yes

Not Yet

*Mortgage / lienholder consent is a requirement for Approval of Final Application*

### 7.a. PROJECT IMPACT (for energy and water efficiency projects)

Projected Annual Financial Savings (\$):

Projected Annual Efficiency and Generation Metrics:

Energy

Electricity Saved (kwh)

Water

Water Saved (gal)

Gas

Renewable Energy Generated (kwh)

Other (specify)

Other (specify)

**Total Projected Annual Savings**

### 7.b. IAQ AND RESILIENCY MEASURES BEING FINANCED

Projected Emissions Impact:

Annual MtCO<sub>2</sub>e reduction

Lifetime MtCO<sub>2</sub>e reduction



## APPLICATION FORM

### 8. PROJECT COSTS

Installation Contract(s)

Engineering and Design Work

Project Development Fees

Capital Provider Fees

Program Fees

Legal Fees

Capitalized Interest

Other (Specify)

**TOTAL PROJECT COST**

### 9. CAPITAL SOURCES

C-PACE Financing Amount

Estimated Utility Rebates

Grants

Property Owner Cash Contribution

Other Loans

Other (Specify)

**TOTAL CAPITAL SOURCES**

### 10. C-PACE FINANCING INFORMATION

Capital Provider Name

Contact Name

Interest Rate

Term (Yrs)

C-PACE Project Simple Payback in Years (Energy projects)

*(Total C-PACE Financing Amount divided by Total Expected Annual Financial Savings)*

Weighted Average Useful Life of Equipment Installed

Expected Project Start Date

Expected Project Completion Date

Annual C-PACE Payment Amount (\$)



## APPLICATION FORM

### 11. INFORMATION RELEASE CONSENT

The Property Owner attests that the C-PACE Contractor or the C-PACE Capital Provider has provided the following information, as required under the Program Guidelines:

- Annual and lifetime CO<sub>2</sub>-e reductions measured in metric tons (if applicable)
- Total energy/water saved and/or total energy generated (if applicable)
- Annual financial savings (if applicable)
- Total C-PACE financed amount
- Annual C-PACE payment
- Disclosure that property can be foreclosed on in the event C-PACE payment is not made

Yes

Furthermore, the Property Owner hereby grants permission to the Program Administrator to make available to the public the following information about the project:

- Annual and lifetime CO<sub>2</sub>-e reductions measured in metric tons
- Total energy/water saved and/or total energy generated
- Annual financial savings
- Total C-PACE financed amount
- Annual C-PACE payment
- Disclosure that property can be foreclosed on in the event C-PACE payment is not made
- The legal description of the property
- The name of each property owner
- The total amount of the qualified C-PACE Project and a complete description of the project
- The assessment needed to satisfy the C-PACE Financing
- The financing rate, the total amount of the C-PACE Financing and any financing charges

Yes

[The remainder of this page is intentionally blank]



## FINAL APPLICATION SELF-CERTIFICATION

To be eligible for the C-PACE program, a Property Owner must verify the following statements. By checking the boxes below and signing this form, the applicant certifies that the Property Owner is in compliance with these requirements. The Property Owner:

Possesses the most recent recorded deed, fee title or land contract vendee's interest of an Eligible Property as shown by the records of the Philadelphia Department of Records. Alternatively, if the applicant will become the Property Owner of the Property upon closing of the C-PACE Financing, documentary evidence showing such anticipated transfer reasonably satisfactory to the Program Administrator would be required. All Property Owners of the fee simple title to the subject property, or their legally authorized representatives, must sign the Final Application. Therefore, before submitting the Pre-Application, the applicant should ensure that all owners (or their representatives) of the subject Property agree to participate in the C-PACE Financing on the agreed upon terms and in accordance with the Program Guidelines.

Has already or will obtain the written affirmative consent of the holders of any mortgages, liens, or other encumbrances secured by the Property to participate in Philadelphia C-PACE.

Certifies that the Property Owner (and its corporate parent if the Property Owner is a single-purpose entity) is solvent and that no proceedings are pending or threatened in which the Property Owner (or the corporate parent, as applicable) may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from all of the Property Owner's (or corporate parent's, as applicable) debts or obligations, be granted an extension of time to pay the Property Owner's (and the corporate parent's, as applicable) debts or be subjected to a reorganization or readjustment of the Property Owner's (and the corporate parent's, as applicable) debts. The Property Owner must also certify that the Property Owner (or any corporate parent if the Property Owner is a single-purpose entity) has not filed for or been subject to bankruptcy protection in the past two years.

Is current in the payment of all obligations secured by the subject Property, including any City or School District of Philadelphia taxes, property taxes, special assessments (including C-PACE Special Assessment), special taxes, other tax liens, or water or sewer charges, fees, rents or claims, or any penalties or fines related to the property owner's business for which the property owner is responsible, unless the property owner has entered into an agreement to pay any such delinquency and is abiding by the terms of such agreement. Proof of compliance by submission of a Tax Clearance Certificate as defined in Section 9-101 of The Philadelphia Code shall be required prior to the origination of any financing. The Program Administrator may review public records, including the real property records, to verify compliance with this requirement.

Has no involuntary liens on the Property, including, but not limited to, construction or mechanics liens, lis pendens or judgments against the Property Owner, or eminent domain proceedings. The Program Administrator and its financing partners may review public records, including the real property records and court documents, to verify compliance with this requirement.

Has no notices of default or delinquency on property-based debt that have been recorded and not cured.

Certifies that it is not a party to any litigation or administrative proceeding of any nature in which the Property Owner has been served with notice of pending litigation, and that no such litigation or administrative proceeding is pending or threatened that, if successful, would materially adversely affect the Property Owner's ability to operate its business or pay the contractual C-PACE Special Assessment when due, or which challenges or questions the validity or enforceability of the C-PACE Statement of Levy and Lien Agreement or any other documents executed by Property Owner in connection with the Property Owner's participation in Philadelphia C-PACE.

Certifies that the Property Owner's authorized representative has discussed the C-PACE program with the Philadelphia C-PACE Program Administrator





## **FINAL APPLICATION SUBMISSION**

By submitting the Philadelphia C-PACE Final Application

[Property Owner] hereby represents under penalty of perjury that the information contained within this application form and any additional submitted document is true and correct to the best of their knowledge.

[Property Owner] is aware that if it presents any material matters as true which are known to be false, it may be subject to penalties prescribed for perjury under the laws of the Commonwealth of Pennsylvania.

Signature

Printed Name

Title

Company Name

Date



## Philadelphia C-PACE Final Application Attachments

The following forms are included in this document. You will find more information about these forms in Section 8 of the Program Guidelines and in the September Addendum.

1. Capital Provider Statement regarding Qualified Contractor (Word version will be provided to those with approved pre-application)
2. Qualified Contractor Certification to Capital Provider (Qualified contractor self-certification is optional but strongly encouraged; Word version will be provided to those with approved pre-application)
3. Qualified Contractor Terms and Conditions Self-Certification (Appendix H)
4. Alternative to Appendix H for retroactive projects (Appendix HA)
5. Signed Mortgage/Lienholder Consent Form (Appendix J)
6. Signed Program Administrator Disclosure and Release Form (Appendix K)
7. Diversity and Inclusion Plan (Appendix L)
8. Disclosures and Recommendations Form (Appendix M)
9. Energy Survey Form (use of form is optional but encouraged to speed review of energy survey)
10. Contact Form

[Capital Provider]  
CAPITAL PROVIDER STATEMENT REGARDING QUALIFIED CONTRACTOR  
[Name of Qualified Contractor]  
[Date]

This Capital Provider Statement is submitted to the Philadelphia Energy Authority (“Program Administrator”) in connection with the C-PACE Financing to be entered into between [Capital Provider], [Property Owner], the City of Philadelphia, and the Program Administrator for the property located at [street address, Philadelphia, PA].

The undersigned hereby represents that they are authorized to execute and deliver this Statement on behalf of the Capital Provider and hereby certifies to the Program Administrator that:

1. Capital Provider has reviewed the financial worthiness of the Qualified Contractor; and
2. Based on said review, Capital Provider accepts the use of the Qualified Contractor on the C-PACE Project; and
3. Confirms that the Qualified Contractor meets the requirements described in Section 5.0 of the Philadelphia C-PACE Program Guidelines.

It is understood and acknowledged that (i) the undersigned is executing this certificate not in an individual capacity but solely in their capacity as an officer of Capital Provider and is without any personal liability as to matters contained in this certificate and (ii) this Statement is not a commitment by Capital Provider to provide financing or close on any transaction with the Program Administrator.

By:

Signature:

Title:

Date:

To: [C-PACE Capital Provider]

Re: Qualified Contractor Certification to Capital Provider

Qualified Contractor Name:

[Company Name] is herein known as "Qualified Contractor"

This document confirms that:

- The Qualified Contractor has not been debarred or defaulted on any project by any federal, state, or local government agency or authority in the past three (3) years;
- The Qualified Contractor has not had any type of business, contracting or trade license, registration or other certification suspended or revoked in the past three (3) years;
- The Qualified Contractor has not committed a willful violation of federal or state safety laws as determined by a final decision of a court or government agency in the past three (3) years;
- The Qualified Contractor and its owners have not been convicted of any crime relating to the contracting business by a final decision of a court or government agency for the past ten (10) years;
- The Qualified Contractor has not within the past three (3) years been found by a final decision of court or government agency in violation of any law applicable to its contracting business, including, but not limited to, licensing laws, tax laws, prompt payment laws, wage and hour laws, prevailing wage laws, environment laws or others, where the result of such violation was the imposition of a fine, back pay damages or any other type of penalty in the amount of \$25,000 or more for any single incident or penalties amounting to \$50,000 or more for the previous three (3) years prior to submission of the certification form;
- The Qualified Contractor participates in the Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and shall continue to participate in such program or programs for the duration of the project.

By:

Signature:

Title:

# Appendix H: Qualified Contractor Terms and Conditions

## Philadelphia Qualified Contractor Terms and Conditions

The Philadelphia Commercial Property-Assessed Clean Energy Program (Philadelphia C-PACE) is an open market program that allows Property Owners to select the Qualified Contractor, Qualified Engineering Professional, and C-PACE Capital Provider that best fits the Property Owner's objectives. To install Energy Conservation Measures or IAQ or Resiliency measures funded through a C-PACE Special Assessment, an installation contractor must submit a self-certification related to the Terms and Conditions herein as part of the Final Application. This document defines the terms and conditions to which all Qualified Contractors must adhere. Philadelphia C-PACE and the Qualified Contractor are the parties to these terms and conditions and may be referred to herein individually as Party or jointly as The Parties.

### General Provisions

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

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

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

Indemnification: Qualified Contractor agrees to defend the Philadelphia C-PACE Program, the Program Administrator and each agency, officer, employee, agent or any other party acting for or on behalf of the Program Administrator (the "Program Administrator Indemnified Parties") from, and indemnify and hold each of them harmless against, any and all losses, liabilities (including settlement costs and amounts, transfer taxes, documentary taxes, or assessments or charges made by any governmental authority), claims, damages, interest judgments, costs, or expenses, including without limitation, reasonable fees and expenses of the Program Administrator Indemnified Parties' legal counsel or other professionals ("Losses") arising out of or related to any act or omission, negligence or willful misconduct, or the participation in the C-PACE Program of the Qualified Contractor, its directors, officers, employees, subcontractors, or agents of Qualified Contractor or its subcontractors, including, but not limited to, the failure of Qualified Contractor to properly and/or timely pay any wages and/or benefits to the Qualified Contractor's employees, provided that the Contractor will not be liable to the extent such losses arise from gross negligence or willful misconduct on the part of the Program Administrator as determined in a final and non-appealable judgment of a court or competent jurisdiction. The obligations of Qualified Contractor under this section shall survive termination or expiration of Qualified Contractor's status and shall

be in addition to the warranty obligations of Qualified Contractor. Qualified Contractor waives the right to bring or assert any claim against Philadelphia C-PACE and its vendors relating to its C-PACE Program participation and status as a Qualified Contractor (including listing as a Qualified Contractor) and releases Philadelphia C-PACE and its vendors from any and all liability therefore or relating thereto.

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

### **Qualified Contractor Responsibilities**

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

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

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

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

### **Philadelphia C-PACE Responsibilities**

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

Right to Remove Contractor: Program Administrator reserves the right to revoke an installation contractor's Qualified Contractor approval, effective for all future projects, if the Qualified Contractor ceases to be qualified under these Program Guidelines.

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

### **Authorization**

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

\_\_\_\_\_  
Signatory Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Company Name

## APPENDIX H-A (App. H alternative for Retroactive Projects)

[Property Owner Letterhead]

Date:

To: Philadelphia C-PACE Administrator

From: [Property Owner]

Re: Qualifications of contractor for retroactive C- PACE financing of [property address]

This memo is presented to the Philadelphia Energy Authority as an alternative to Appendix H (Qualified Contractor Terms and Conditions) for the retroactive C-PACE financing of the above-listed property.

The undersigned certifies that we are not able to obtain a signed copy of Appendix H from the qualified contractor [contractor company name] because [reason Appendix H cannot be obtained].

This memo summarizes the facts to show that [contractor company name] meets the requirements for a qualified contractor under the Philadelphia C-PACE Program Guidelines.

During the period when the [contractor company name] was under contract to install the C-PACE eligible measures, [contractor company name]:

1. Possessed a valid contractor's license in the City of Philadelphia
2. Possessed a valid business license in the City of Philadelphia
3. Adhered to applicable Laws, Regulations, and Program Guidelines
4. Carried appropriate insurance for its type of business
5. [Include other items that property owner believes support the qualifications of the contractor including experience in other similar projects, contracts with other City agencies, etc.]

It is [property owner's] assessment that [contractor company name] is a Qualified Contractor per Philadelphia C-PACE Program Guidelines. Supporting materials are listed in the Appendix and available upon request.

[Name, address, contact information and signature of authorized representative of property owner]

Appendix: Supporting Documentation (all available)

1. Philadelphia contractor license search
2. Philadelphia business license search
3. Contractor project list
4. Contractor Corporate overview/officers
5. City of Philadelphia building permit for [property address] showing [contractor] as a licensed contractor
6. Contract for project showing insurance requirements



## Appendix J: Mortgage/Lien Holder Consent

### Notice of Proposed C-PACE Special Assessment and Request for Financial Institution Consent to Participate in Philadelphia C-PACE Program

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**Notice Date:**

**Financial Institution:**

**Street:**

**City/State/Zip Code:**

**ATTN:**

**Property/Loan Information:**

**Address:**

**Loan Number:**

Why has the Financial Institution received this notice?

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

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

#### Background on C-PACE in Philadelphia

Pennsylvania Statute (Act 30) authorizes Pennsylvania municipalities or counties to establish a C-PACE program in their communities. On August 14, 2019, Philadelphia Mayor Jim Kenney signed legislation creating the Philadelphia C-PACE program and designating the Philadelphia Energy Authority as the Program Administrator. C-PACE financing helps stimulate local economies by ensuring that owners of agricultural, commercial, multifamily (5+ units) and industrial properties can obtain low-cost, long-term financing for energy efficiency, renewable energy, water conservation, IAQ and/or resiliency projects.

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

To qualify, the proposed project must meet the following basic criteria:

- The property is located in Philadelphia;
- The property is an agricultural, commercial, multifamily (5+ units) or industrial property;
- The proposed measures reduce energy consumption or water consumption, increase the production of on-site renewable energy, improve indoor air quality (IAQ) and/or resiliency;
- The proposed measures are permanently affixed to the property;
- The property is current on all municipal property tax and assessment payments;
- The proposed project meets the requirements;
- **The Property Owner receives consent of the current mortgage/lien holder(s).**

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

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

What should your Financial Institution know?

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

- Total cost of improvements:
- Total C-PACE financing requested (+/- 5%):
- Annual interest rate not to exceed:
- Term of repayment:
- Total estimated annual C-PACE Payments:
- # Payments per year:

Purpose of this Notice

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

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

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

Very truly yours,

BY: (signature): \_\_\_\_\_

**PROPERTY OWNER NAME:**

**MAILING ADDRESS (if different than Property address):**

**Mortgage/Lien Holder Acknowledgement to C-PACE Payments and Consent for Property Owner to Participate in Philadelphia C-PACE**

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**Date:**

**Property/Loan Information**

**Building Address:**

**OPA Account Number:**

**Mortgage Holder:**

**Loan Number:**

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

**RECITALS**

**A.** Mortgage/Lien Holder is in receipt of written notice ("Notice") from the owner of the Property ("Property Owner") that it intends to finance the installation on the Property of certain energy efficiency, renewable energy, water conservation, indoor air quality, and/or resiliency Projects that will be permanently fixed to the Property ("Authorized Improvements") and that will be financed by participating in the Philadelphia C-PACE program (the "Program").

**B.** Mortgage/Lien Holder understands that, as a result of an agreement between the Program Administrator (the Philadelphia Energy Authority), the City of Philadelphia, the Property Owner and the C-PACE Capital Provider that the C-PACE Special Assessment Payments described in the C-PACE Statement of Levy and Lien Agreement and C-PACE Financing Agreement will be levied on the Property, and that the C-PACE Special Assessment Payments will be managed by the Program Administrator.

**C.** The Property Owner has agreed in a manner acceptable to Mortgage/Lien Holder to pay on a timely basis both the existing obligations secured by the Property (including the Loan) and the proposed C-PACE Special Assessment Payments.

**D.** The Mortgage/Lien Holder consents to the Property Owner's participation in the Program, including but not limited to the levy of C-PACE Special Assessment on the Property.

*[Continued on next page]*

## **ACKNOWLEDGEMENT**

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

- i. Confirms that it has received the Notice;
- ii. Acknowledges the levy by the City of Philadelphia of the C-PACE Special Assessment pursuant to the terms of the C-PACE Statement of Levy and Lien Agreement and C-PACE Financing Agreement; and
- iii. Agrees that the levy of the C-PACE Financing will not constitute a default nor trigger the exercise of any remedies under the Loan documents.

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

### **Mortgage/Lien Holder:**

By:

Signature:

Title:

Date:

Building Address:

# Appendix K: Program Administrator Release and Indemnification Agreement

The Property Owner of \_\_\_\_\_ hereby acknowledges that it hereby releases and holds harmless the Program Administrator with respect to its actions in the administration of the C-PACE Program and recognizes that:

- The Program Administrator does not provide legal advice and will not mediate any disputes between any participants in Philadelphia C-PACE, including but not limited to, Property Owners of Eligible Properties and their tenants, C-PACE Capital Providers, Qualified Contractors, energy service companies, and utilities.
- In addition to other designated and implied responsibilities in the C-PACE Program, Applicant is responsible for reviewing the terms, conditions, and obligations implied by the C-PACE Statement of Levy and Lien Agreement, as well as the terms of any supplemental agreements with the C-PACE Capital Provider and all agreements with Qualified Contractors, Qualified Engineering Professionals, and any other parties to the project.
- The Program Administrator does not provide any assurance of the Qualified Contractor's or Qualified Engineering Professional's ability to perform C-PACE Project work.
- The Program Administrator does not provide any accounting advice regarding how a Property Owner should treat the C-PACE Financing in their books and records.
- The Program Administrator has the right to review all projects for eligibility and may approve C-PACE Projects for C-PACE Financing according to the standards and criteria set forth in the Program Guidelines.
- The Program Administrator retains ultimate discretion whether to approve a C-PACE Project.
- C-PACE Capital Providers are prohibited from releasing, and installation contractors are prohibited from receiving, final payment for a C-PACE Project until the required parties have duly executed a Completion Certificate and the Program Administrator has accepted the Completion Certificate.
- Property Owner agrees to compel any party with which it contracts for its C-PACE Project to defend the Program Administrator and each agency, officer, employee, agent or any other party acting for or on behalf of the Program Administrator (the "Program Administrator Indemnified Parties") from, and indemnify and hold each of them harmless against, any and all losses, liabilities (including settlement costs and amounts, transfer taxes, documentary taxes, or assessments or charges made by any governmental authority), claims, damages, interest judgments, costs, or expenses, including without limitation, reasonable fees and expenses of the Program Administrator Indemnified Parties' legal counsel or other professionals ("Losses") arising out of (a) the contractor's negligence or willful misconduct or (b) the contractor's participation in the Program, provided that the contractor will not be liable to the extent such Losses arise from gross negligence or willful

misconduct on the part of the Program Administrator Indemnified Parties as determined in a final and non-appealable judgment of a court or competent jurisdiction.

- The City of Philadelphia and Program Administrator:
  - Do not endorse any particular C-PACE Capital Provider, Qualified Contractor, Qualified Engineering professional, engineering firm, manufacturer, product, system designer, or system design by this offering.
  - Are not responsible for any tax liability imposed on the recipient as a result of the payment.
  - Make no representation or warranty, and assume no liability with respect to the quality, safety, performance, or other aspect of any design, consulting, product, system, equipment, or appliance installed or received and expressly disclaim any such representations, warranties, and liability, including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose. Property Owners should contact their contractors for detailed manufacturer equipment warranties.
  - Do not guarantee that installation and operation of energy efficiency, water conservation or clean energy generation equipment will result in reduced usage or in cost savings to a Property Owner or any occupants of an Eligible Property
  - Do not guarantee that installation and operation of indoor air quality or resiliency measures will result in improved IAQ or resiliency to a Property or any occupants of an Eligible Property
  - Are not responsible for the proper disposal/recycling of any waste generated as a result of this project.
  - Are not liable for any damages, including any incidental or consequential damages, arising out of the operation or malfunction of the products, equipment, or appliances, or the installation thereof related to a C-PACE Project.
  - Program Administrator reserves the right to publicize participation in the program.
  - Upon reasonable notice period, a Program Administrator representative may schedule a site visit to verify that qualified products, systems, equipment, or appliances were installed.

### Authorization

I declare under penalty of perjury that I have reviewed and understand the above disclosures relating to the Program Administrator of the Philadelphia C-PACE Program.

\_\_\_\_\_  
Signatory Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property Address

\_\_\_\_\_  
OPA Account Number

# Appendix L: Diversity and Inclusion Plan

As part of the Final Application, Property Owner must submit a statement outlining the ways in which the Property Owner and Qualified Contractor engaged on the C-PACE Project are committed to local and diverse workforce and business ownership. Equity and inclusion are a core principle of the work of the Philadelphia Energy Authority and are of paramount importance to the City of Philadelphia.

Property Owner should explain steps being taken to engage diverse, local suppliers and workforce, which could include actions such as (but not limited to) the following:

- a. Recruiting applicants for new or contracted positions who reside in the City of Philadelphia, who identify as minority, women, disabled, returning citizens, and/or veterans.
- b. Seeking descriptions from contractors of how they encourage diverse applicants when hiring.
- c. Engaging contractors and subcontractors to perform commercially useful functions who qualify as Minority Business Enterprises (“MBE”), Woman Business Enterprises (“WBE”) and Disabled Business Enterprises (“DBE”) (collectively, “M/W/DBE”). The M/W/DBE subcontractors must be certified by a Certifying Agency.
- d. Engaging contractors and subcontractors to perform commercially useful functions who are located geographically in or near the City of Philadelphia.
- e. Seeking contractors and subcontractors who employ a diverse, local workforce.
- f. Asking contractors to provide data on the diversity and residence of their employees.

Property Owner may choose to submit information in whatever format it deems most appropriate for its specific plan. The Program Administrator is seeking evidence of a thoughtful approach to diversity and inclusion, and how each project provides value and promotes equity for the City of Philadelphia. Plans must be specific to the proposed project. Generic plans will not be accepted. Property Owners, Capital Providers or Contractors may request a pre-review with the Program Administrator to ensure compliance.





## Appendix M: C-PACE Disclosures and Recommendations

*The Philadelphia Energy Authority, the Philadelphia C-PACE Program Administrator, urges careful reading of this document prior to signing and welcomes questions about any of its content.*

As an authorized representative of the Property located at \_\_\_\_\_, I have read the following disclosures and recommendations to participate in the Commercial Property Assessed Clean Energy Program administered by the Philadelphia Energy Authority (Program Administrator) for the City of Philadelphia.

### **DISCLOSURES AND RECOMMENDATIONS (all boxes must be checked)**

The Commercial Property Assessed Clean Energy (C-PACE) Assessment will be paid through a C-PACE Assessment ("Assessment") which is sent to the Property Owner annually in December consistent with the City's issuance of real property tax bills and will be due annually and payable on March 31, the same due date as real property taxes.

Assessments are secured by and attached to the real property. At resale, the new owner of the Property will be responsible for continuing to pay the Assessment unless it is paid in full by the Property Owner in accordance with prepayment restrictions in the Financing Agreement between the Property Owner and C-PACE Capital Provider.

The Assessment is non-accelerating which means that in the case of a missed payment, the C-PACE Capital Provider may only recoup that missed payment along with any interest and penalties. The payments due in future years are not collectible until the date they are due.

The Assessment shall be a municipal claim due to the City and payable to the Program Administrator. It will be enforced in the same manner that a City property tax lien against real property may be enforced. **If you fail to make your C-PACE assessment payment, the Program Administrator is authorized by law to enforce the payment obligation against the property owner and/or the property itself, which may include auctioning the property at a Sheriff's sale.**

The Program Administrator encourages the Property Owner to seek any necessary legal counsel or engineering support to review contracts and agreements as the C-PACE Assessment and associated capital improvements are typically large and complex projects.

For clean energy projects, the energy survey provides estimates of the energy cost savings associated with the project. **These are projections, not guarantees**, and are influenced by several factors including:



- a. Equipment must be properly maintained to continue operation as designed.
- b. Fluctuations in energy prices may increase or decrease the savings associated with the project. It is important to understand the assumptions being used to estimate energy cost savings which include the current price of energy and the escalation rate assumption.
- c. Changes in property occupancy may increase or decrease the savings associated with the project. The project's estimated savings are based on assumptions about the future occupancy and uses of the Property.

The Program Administrator does not endorse specific Indoor Air Quality (IAQ) solutions. Several of the prescriptive systems listed in the Program Guidelines Addendum are emerging technologies and may not have scientific evidence to prove their effectiveness and safety. The Program Administrator encourages all Property Owners to read the "[CDC Position on Emerging Technologies for Air Cleaning](#)" before selecting an IAQ solution.

IAQ and energy consumption interact with each other. IAQ measures installed without a whole building design approach may negatively impact energy performance. Proposed IAQ solutions should aim to optimize energy use and IAQ.

**The C-PACE Assessment is invoiced on an annual basis with a single payment.** The Program Administrator recommends a monthly set-aside to ensure funds are available when due (annually on March 31st).

Seek all available rebate and grant funding. Various rebates and grants for clean energy improvements may be available. The Property Owner or their contractors or representatives should apply for all available Federal, State, City, PECO and PGW rebates. The Database of State Incentives for Renewables & Efficiency (<https://www.dsireusa.org/>) may provide useful information on some available incentives.

The undersigned hereby represents that they are authorized to execute and deliver this document as a representative of the Property Owner and hereby certifies to the Program Administrator that:

1. The Property Owner has reviewed the C-PACE program requirements and the above Disclosures and Recommendations
2. The Property Owner has had the opportunity to consult with legal counsel

By:

Date:

Signature:

Title:

## Philadelphia C-PACE Optional Energy Survey Form for Final Applications

Insert firm letterhead

Name of project:

### Energy Comparison

	Total Energy MBtu/yr	Electricity kWh/yr	Natural Gas therm/yr	Utility Cost \$/yr	Water gal/yr	MTCO <sub>2</sub> e /yr	MTCO <sub>2</sub> e/ life
Baseline Model							
Proposed Model							
Renewable Energy Generated							
Savings							
% Savings							

Expected percent energy savings above code (e.g. “as designed, the facility is expected to be **XX%** more energy efficient than required by Philadelphia’s building energy code.”)

### Project Cost Summary

Example Measures	Cost	Estimated Useful Life
Energy Conservation Measures		
Rooftop Units		
LED Lighting		
Windows		
Roofing & Insulation		
Solar system		
Water Conservation Measures		
Low-Flow Plumbing		
Subtotal		
Weighted Average Useful Life		
Additional Costs		
Soft Costs		Not included in EUL calc
Total		

NOTE: energy model files or input and output reports must also be submitted for whole building energy models

Submitted by:

Engineering Firm Name:

Report author:

Qualified Professional Engineer Certification type (i.e. PE, CEM, etc.):

## Philadelphia C-PACE

### Contact Information for Capital Provider or Property Owner Upon Change of Ownership or Management

This form is to be provided to the Philadelphia C-PACE Program Administrator as part of the Final Application and upon Assignment of Financing or change of property ownership or management.

All notices, invoices, certificates or communications provided pursuant to the Statement of Levy and Lien for the property located at:

Address: \_\_\_\_\_ OPA # \_\_\_\_\_

shall be sent to:

#### Property owner representative

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

#### Capital Provider representative

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

#### Additional contact information (if applicable):

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Program Administrator contact information:

Philadelphia Energy Authority  
City Hall, 1400 JFK Blvd. Room 566  
Philadelphia, PA 19107  
(215) 686-4483  
CPACE@philaenergy.org