



CLEAN ENERGY GREEN CORRIDOR
PROGRAM GUIDELINES

In order to apply for financing under the Clean Energy Green Corridor (the “District”) Program (the “Program”) the property owner must read, accept, and comply with the terms provided herein (the “Program Terms”).

These Program Terms, along with the documents property owners execute in connection with the Program (the “Program Documents”), establish the terms of the District Program. Property owners should become familiar with and understand the provisions of the Program Terms. By executing the Program Documents, the property owner agrees to all of the Program Terms. The District reserves the right to amend these Program Terms from time to time as described below. The District has contracted with Ygrene Energy Fund Florida, LLC (the “Administrator”) to administer the program. The District will share information with the Administrator and other third parties as necessary to administer the Program.

1. Purpose of the Program

The Program is intended to assist property owners in the District in financing the installation of energy efficiency, wind resistance and renewable energy improvements as defined in Section 163.08, Florida Statutes (the “Qualifying Improvements”). The financing and the costs of administering the Program will be repaid through non-ad valorem special assessments added to the property tax bills paid by only those property owners who voluntarily choose to participate in the Program. There may be other types of financing available to property owners and the District does not guarantee that the Program is the best financing option. Property owners should obtain help in selecting the option that is most appropriate for their particular situation.

2. Summary of the Program Process

As discussed in more detail below, in order to receive funding from the Program, property owners must complete the following steps for all property types:

- a. Determine that they meet the eligibility requirements. (see “Eligibility” below).
- b. Apply online or submit a paper application for the Program. (see “Application” below).
- c. Agree to these Program Terms and pay an application fee as part of the application process.
- d. At least 30 days before entering into a financing agreement (the “Financing Agreement”), the property owner shall provide to the holders or loan servicers of any existing mortgages encumbering or otherwise secured by the property a notice of the owner’s intent to enter into a Financing Agreement together with the maximum principal amount to be financed and the maximum annual assessment necessary to repay that amount. The Program administrator will supply the property owner with the necessary documents.
- e. The Administrator must approve the completed application.
- f. A contractor certified (the “Certified Contractor”) through the Program must be selected by the property owner to install the Qualifying Improvements. The Certified Contractor must submit a bid for the installation of Qualifying Improvements on the property
- g. The District will record the signed Finance Agreement or a summary memorandum of such agreement within 5 days of signing. Upon disbursement of funds, the District will record an addendum to the Financing Agreement indicating the final amount financed which will be annually assessed (the “Settlement Statement”).
- h. The District will authorize the release of funds to the property owner after project completion. Property owners may choose to assign payment directly to their Certified Contractor.
- i. Pay the special assessments in the amounts and at the times specified in the Settlement Statement.

3. Eligibility

The Program is available to all privately owned property within the District. The financing terms and conditions set forth in these Program Terms are applicable to financings for the installation of Qualifying Improvements in residential and non-residential properties (as determined by guidelines established by each member municipality of the District). In order to participate in the Program, a property owner must meet and complete the following requirements and steps:

- a. The property to be improved with the Qualifying Improvements must be located within the District.
- b. All holders of fee simple title to the subject property or, for corporate owners their designee(s), must sign the Program Documents. Therefore, before submitting an application, property owners must ensure that all property owners will agree to participate in the Program on the terms set forth in these Program Terms.
- c. In the case of renewable energy and energy efficiency retrofits, the property owner must agree to provide the Certified Contractor or an energy auditor with access to the property's utility usage history and information to enable the Program to analyze energy savings.
- d. All property taxes and any other assessments levied on the same bill as property taxes must be paid and have not been delinquent for the preceding 3 years or the property owner's period of ownership, whichever is less. There shall be no involuntary liens, including, but not limited to, construction liens on the property. There shall be no notices of default or other evidence of property-based debt delinquency recorded during the preceding 3 years or the property owner's period of ownership, whichever is less. The property owner must be current on all mortgage debt on the property, with no more than one 30 day late payment in the past 12 months. Property owner must not have any notices of bankruptcy for the past twelve months.
- e. The total debt of the property, including mortgages and equity lines of credit, secured by the property, must not exceed 90% of the fair market value of the property. The administrator will provide you with the current fair market value of the property.
- f. It is critical to the health of the Program that property owners pay their special assessments and other property-related obligations in full on a timely basis. Consequently, the District reserves the right, in its sole discretion, to request supplemental information from owners and to deny applications based on any negative reports.

4. Application

All property owners interested in applying to the Program must submit the initial application documents listed below along with the required application fee. At the time of application, property owners must agree to the Program Terms. Project applications will receive an administrative point of contact from the Administrator, who will assist in the process.

- a. Application Form, either submitted online or printed and signed, and application fee.
- b. Upon review of the application by the Administrator, applicants will receive either a Notice of Approval or a Notice of Denial.
- c. Upon receipt of a Notice of Approval, applicants must obtain Lender Notification forms, available either on-line or from the Administrator, and submit them to their lender(s). Property owners will be required to provide to the Administrator a Proof of Mailing for Lender Notification forms. This process can actually be done by the property owner before applying; however, this is left to the discretion of the property owner. This is not required if the property is owned free and clear.
- d. Upon receipt of a Notice of Approval, applicants can proceed to submit their proposed project for approval (See "Project Approval" below).
- e. Should an application be denied, the notice will include recommend remedial action that may be available to the applicant.

5. Qualifying Improvements; Certified Contractors; Maximum Funding

The following general provisions apply to all projects submitted for funding under the Program:

- a. Program financing may only be used to finance those improvements that are described in the list of Qualifying Improvements (see appendix I). Property owners are responsible to ensure that improvements installed on their property qualify under the program.
- b. The Program is a financing program only. Neither the District nor the Administrator is responsible for installation of the Qualifying Improvements or their performance.**
- c. The Qualifying Improvements must be affixed to the building or facility that is part of the property and shall constitute an improvement to the building or facility or a fixture attached to the building or facility. Appliances built-in to cabinetry qualify, but freestanding units do not. Built-in lighting fixtures qualify, but replacement of light bulbs alone cannot be financed. Questions regarding Qualified Improvements should be directed to the Administrator.
- d. Qualifying Improvements must be installed by Certified Contractors who meet the eligibility criteria set forth for the specific category of work being financed, and who are listed on the Certified Contractors list that may be obtained on-line or from the Administrator.
- e. The Program requires a minimum funding request of \$2,500.
- f. The Program will approve maximum funding requests in an amount such that the aggregate amount of any fixed assessment liens on the property and the amount of the proposed project to be completed do not exceed 100% of the fair market value of the property. Maximum financing is initially set at the lesser of 20% of the just value of the property as determined by the property appraiser or 15% of the fair market value. For proposed commercial projects, the Certified Contractor must submit evidence that the project provides either an SIR of one or greater or a Benefits-to-Cost Ratio (BCR) of one or greater.
- g. The Program Administrator can provide guidance and software to the Certified Contractor to assist in calculating these ratios. The Program will not provide financing for any costs in excess of the maximum amounts allowed under FL law.

6. Project Approval

Upon receipt of a Notice of Approval of a Program application and following verification of lender notification being sent, the property owner may proceed towards project funding. Following are the steps required to obtain authorization for funding under the Program:

- a. Select a Certified Contractor from the Certified Contractor List. This list is available on-line and/or from the Administrator. Applicants may wish to obtain bids and advice from more than one Certified Contractor.
- b. Work with Certified Contractor(s) to determine the scope and cost of your project, and verify that the proposed work qualifies for funding under the Program. Once Qualifying Improvements are selected, obtain a formal bid from one or more Certified Contractors.
- c. Following review of the project bid(s) select a Certified Contractor to coordinate the project with the Program Administrator.
- d. Upon review of the proposed project and the bid(s) submitted for the work, the Administrator will issue either a Project Approval Letter or a Project Denial Letter. This communication will be provided by email unless directed otherwise by the applicant.
- e. Once the project is approved, applicants will be required to execute the Financing Agreement. This is the contract that authorizes the Administrator and the District to record on the property tax record the assessment that will secure the project financing. The Financing Agreement must be recorded prior to commencement of construction.
- f. Once the Financing Agreement is recorded, applicants will receive a Notice to Proceed. Upon receipt of this notice, applicants can authorize commencement of the project. If construction begins prior to receipt of a Notice to Proceed, applicants run the risk of not qualifying for Program funding.
- g. If the project is denied, the Project Denial Letter will outline remedial action that may be available to the applicant.

7. Funding

- a. Once the Certified Contractor has completed installation of the Qualifying Improvements, property owners must submit a funding request and the project verification documents. Contact the Administrator for a complete list of required forms and agreements. Property owner may request that the Certified Contractor receive payment directly from the Administrator.
- b. If the funding request is not submitted to the Administrator within 90 calendar days after the date that appears on the Finance Agreement, the interest rate may be reset (See "Financing Costs; Interest Rate below).
- c. Upon review of the project record the Administrator will confirm its eligibility for funding and calculate the final assessment details. Prior to the issuance of checks, the property owner must approve and sign the final Settlement Proforma Statement.
- d. In the event a property owner cancels financing after submitting a request for funding, all expenses incurred by the Program for recording documents, preparing bond documents and releasing any liens will be the responsibility of the property owner. Property owners may be responsible for expenses incurred by Certified Contractors according to their contracts. The District has no responsibility to release funds to property owners or Certified Contractors for work that has not been completed for any reason.

8. Financing Costs; Interest Rate

- a. In order to receive funding, property owners agree to pay special assessments in an amount equal to (i) the principal amount received from the Program, (ii) interest on the principal amount received from the Program and (iii) initial and on-going administrative expenses (see Appendix II).
- b. Principal. This is the total of all financed project costs. These may include costs associated with implementing the project such as closing fees, permits, audit expenses, application fees and capitalized interest (see “Capitalized Interest” below).
- c. Interest Rate. The rate of interest charged on the amount funded will be fixed for the full term of the assessment. The rate will be set for 90 days on the date that the Finance Agreement is prepared by the Administrator. Property owners can monitor interest rates on the Program website or by contacting the Administrator.
- d. Capitalized Interest. Because of administrative delays involved in placing assessments on County tax rolls, capitalized interest will be added to the assessment for the time period between funding of the project and the first day of the year in which the bond for each project is issued.

9. Repayment Terms; Special Assessments

- a. Repayment Terms. Following placement of the assessment on the tax roll, the property owner will be obligated to pay the special assessments specified in the Project Approval.
- b. Prepayment Terms: The Special Assessment can be paid off at any time. There is a 5% prepayment penalty which will be owed on any outstanding principal balance at the moment the prepayment is made.
- c. Special Assessments. A property owner must pay the agreed-upon special assessment regardless of personal financial circumstances, the condition of the property, or the performance of the Qualifying Improvements. Property owners should not apply for financing if they are not certain they can meet the assessment obligations. **The failure to pay property taxes in full or in part will result in financial repercussions including penalties, interest, the sale of a tax certificate on the property, and possible loss of the property.** If property owners use an escrow account to pay their property taxes, they must notify the escrow company of the special assessment. In such cases, property owners will need to increase monthly payments to the escrow account by an amount equivalent to the annual assessment payments, divided by 12 months.

10. Compliance with Existing Mortgages

Recordation of the assessment on the tax roll will establish a continuing lien as security for the obligation to pay the special assessments. In accordance with Florida law, the lien securing the obligation to pay the special assessments will be senior to all private liens, including existing mortgage(s). Many mortgage and loan documents limit the ability of a property owner to place senior liens on property without the consent of the lender, or authorize the lender to obligate borrowers to prepay the senior obligation. Recently, the Federal Housing Finance Agency has issued policy guidelines that question the validity and assessment status of PACE assessments. Program participants should confirm with their lender(s) that participation in the Program does not adversely impact their rights with respect to any existing loan documents. Property owners are required to notify their lenders prior to a funding request and to provide the Administrator with a copy of the letter and proof of mailing. **The Administrator will provide required forms for lender notification, but ultimate responsibility for addressing issues with existing lenders remains with property owners.**

11. Transfer or Resale of the Subject Property

Special Assessments run with the property. In the event of a sale, unless other arrangements are made prior to closing, the annual payments will appear on the new owner's tax bill. The property owner must be aware of the fact that the Federal Housing Finance Agency has made a statement indicating that they will not give a mortgage to a potential buyer of a residential property if the property has a PACE special assessment recorded against it. If this is the case, the assessment can be prepaid at the time of sale (see "Repayment Terms; Special Assessments" above).

Ownership of any funded Qualifying Improvements (including light bulbs) transfer to the new owner, and may not be removed from the property. Program participants agree to make all legally required disclosures regarding the existence of the assessment lien on the property in connection with any sale.

At or before the time a purchaser executes a contract for the sale and purchase of any property for which a non-ad valorem assessment has been levied and has an unpaid balance due, the seller shall give the prospective purchaser a written disclosure statement in the following form, which shall be set forth in the contract or in a separate writing:

QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, OR WIND RESISTANCE.—The property being purchased is located within the jurisdiction of a local government that has placed an assessment on the property pursuant to s. 163.08, Florida Statutes. The assessment is for a qualifying improvement to the property relating to energy efficiency, renewable energy, or wind resistance, and is not based on the value of property. You are encouraged to contact the county property appraiser's office to learn more about this and other assessments that may be provided by law.

12. Rebates and Taxes

Participation in this Program does not reduce rebates available through federal, state, utility sponsored and District rebate programs. More information on available programs can be found on-line or through Certified Contractors and other vendors. Participants should consult with their tax advisors with respect to the state and federal tax benefits and consequences of participating in the Program. Neither the District nor the Administrator is responsible for the tax considerations of participating in the Program.

13. Changes in State and Federal Law

The District's ability to continue to finance the Program is subject to a variety of state and federal laws. If those laws or the judicial interpretation thereof changes after a property owner applies for the Program, but before the District fulfills the funding request, the District may be unable to fulfill the request. In such event, the District shall have no liability as a result of any such change in law or judicial interpretation.

14. Changes in Program Terms

The District reserves the right to change the Program Terms at any time without notice. However, no such change will affect a participant's obligation to pay special assessments as set forth in the Settlement Statement. Participation in the Program will be subject to the Program Terms in effect from time to time.

APPENDIX I

QUALIFYING IMPROVEMENTS

The following list represents improvements that will be Qualifying Improvements under the District PACE Program. Additional and/or alternative measures may be approved on a case-by-case basis and/or as the list is modified from time to time in compliance with State Law or instructions from the District.

1. Energy Efficiency

- a. Air Sealing and Ventilation
 - Air Filtration
 - Building Envelope
 - Duct Leakage and Sealing
 - Bathroom, ceiling, attic, and whole house fans
- b. Insulation
 - Defect Correction
 - Attic, floor, walls, roof, ducts
- c. Weather-Stripping
- d. Home Sealing
- e. Geothermal Exchange Heat Pumps
- f. HVAC Systems
- g. Evaporative Coolers
 - Cooler must have a separate ducting system from air conditioning and heating ducting system
- h. Natural gas storage water heater
 - Energy Star listed
- i. Tankless water heater
- j. Solar water heater system
- k. Reflective insulation or radiant barriers
- l. Cool roof
- m. Windows and glass doors
 - U value of 0.40 or less and solar heat gain coefficient of 0.40 or less
- n. Window filming
- o. Skylights
- p. Solar tubes
- q. Additional building openings to provide additional natural light
- r. Lighting
 - Energy Star listed (only retrofits)
- s. Pool equipment
 - Pool circulating pumps

2. Other Non-Residential Building Measures

The following measures are allowed for commercial and non-residential buildings, in addition to all applicable energy efficiency measures listed above:

- a. Occupancy-Sensor Lighting Fixtures
 - SMART Parking Lot Bi-Level Fixture
 - SMART Parking Garage Bi-Level Fixtures
 - SMART Pathway Lighting
 - SMART Wall Pack Fixtures
- b. Task Ambient Office Lighting
- c. Classroom Lighting
- d. Refrigerator Case LED Lighting with Occupancy Sensors
- e. Wireless, daylight lighting controls
- f. Kitchen Exhaust Variable Air Volume Controls
- g. Wireless HVAC Controls & Fault Detection

3. Solar Equipment

- a. Solar thermal hot water systems
- b. Solar thermal systems for pool heating
- c. Photovoltaic systems (electricity)
- d. Emerging technologies – following the Custom Measures Track

4. Wind Resistance Measures

- a. Wind hardening measures can be deployed through this Program. The measures described qualify.
- b. Improving the strength of the roof deck and foundation attachment.
- c. Creating a secondary water barrier to prevent water intrusion.
- d. Installing wind-resistant shingles or other roofing.
- e. Installing gable-end bracing.
- f. Reinforcing roof-to-wall connections.
- g. Installing storm shutters.
- h. Installing perimeter-opening protections.
- i. Raising building elevations.

5. Custom Measures

The Custom Measures Track is a process by which the Energy Center Manager and/or staff can evaluate and approve funding for projects that are not “off the shelf” improvements listed in the Qualifying measures. These custom projects may involve large scale industrial or commercial energy efficiency improvements; processing or industrial mechanical systems; and renewable energy generation from sources such as geothermal and fuel cells. The following are examples of custom measures that will be considered for Clean Energy Green Corridor funding:

- a. Custom Energy Efficiency Measures
 - Building energy management controls
 - HVAC duct zoning control systems
 - Irrigation pumps and controls
 - Lighting controls
 - Industrial and process equipment motors and controls
 - Electric Vehicle Charging Equipment
- b. Custom Energy Generation Measures
 - Fuel Cells
 - Wind turbine power system
 - Natural gas
 - Hydrogen fuel
 - Other fuel sources (emerging technologies)
 - Co-generation (heat and energy)

APPENDIX II

ADMINISTRATIVE FEES AND CLOSING COSTS*

	RESIDENTIAL
Application Fee	\$50.00
Processing & Underwriting Fee	\$125.00
Jurisdiction Cost Recovery Fee**	See Table 1
Recording & Dispersement Fee	\$100.00
Escrow Fee	\$90.00
Energy Pro Fee	\$50.00

	COMMERCIAL
Application Fee	\$250.00
Processing & Underwriting Fee	\$250.00
Jurisdiction Cost Recovery Fee**	See Table 1
Recording & Dispersement Fee	\$250.00
Escrow Fee	\$90.00
Energy Pro Fee	See Table 2

Table 1

JURISDICTION COST RECOVERY FEE**		
	Project Size	Fee
RESIDENTIAL	< \$62,500	\$125.00
	≥ \$62,500	\$75 + (.0008 x Project Size)
COMMERCIAL	< \$250,000	\$225.00
	≥ \$250,000	\$75 + (.0008 x Project Size)

Table 2

ENERGY PRO - COMMERCIAL PROJECTS	
Project Size	Fee
≤ \$100,000	\$450.00
\$100,001 - \$200,000	\$600.00
\$200,001 - \$300,000	\$750.00
≥ \$300,001 +	\$900.00

* A \$37 administrative fee will be added to the assessment in relation to tax collection, and in Miami-Dade County, the tax collector may add a 1% collection fee along with the special assessment.

* Fees may vary based on current market conditions