



What's PACE?



1. Framework

States pass enabling laws that allow local governments to offer PACE financing to building owners. PACE is completely voluntary.



2. Project

Qualified PACE service providers help building owners select cost-effective projects that make good business sense.



3. Financing

PACE programs process applications, qualify projects and provide or arrange financing. An assessment or charge is added to the property's tax roll once the funds are disbursed.

How to start a project?

1 Check eligibility



Find out if your property qualifies in seconds.. An eligibility check with Ygrene won't affect your credit score.

2 Get Approved



Apply and get approved in 30 minutes. Sign a few quick documents with clear disclosures, and you're ready to get started.

3 Choose a contractor



Every contractor in our independent network is licensed, trained to offer Ygrene financing, and has successfully passed an extensive background check.

Eligible Improvements

Over 100 eligible residential improvements, 125 commercial



Water Efficiency

- Low Flow Plumbing
- Artificial Turf
- Drip Irrigation



Landscaping

- Drip Irrigation
- Rainwater Catchment
- Artificial Turf



Windows & Doors

- Sealing
- Skylights
- Sunrooms



Roofing

- Roof Replacement
- Gutters
- Attic Insulation



Heating & AC

- Central HVAC
- Heat Pumps
- Duct Replacements



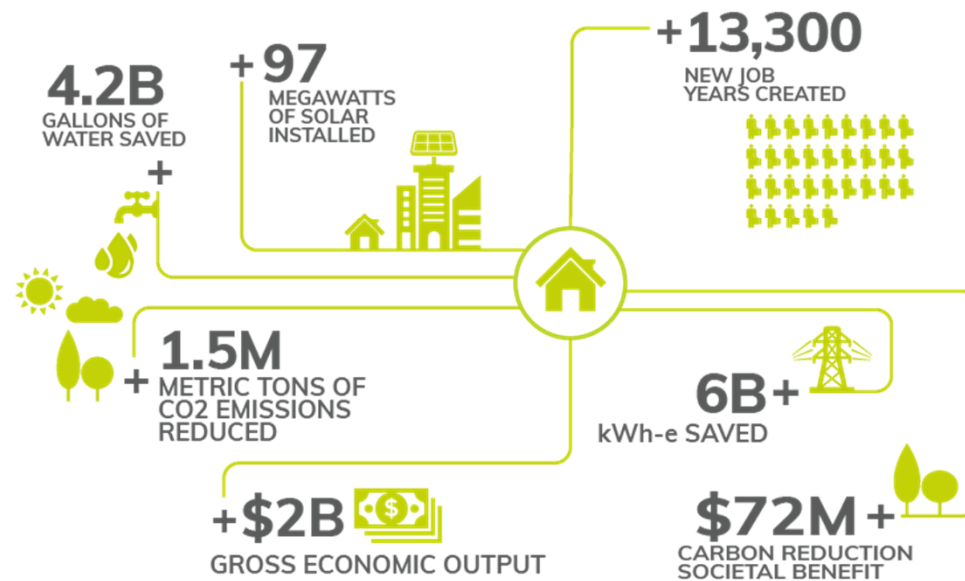
Solar

- Panels
- Pool Heating
- Inverters

Value and Benefit to Homeowners/Communities

Wide Range of PACE Benefits

Estimated impact of \$1.1B in over 39,000 funded energy efficiency, renewable energy, water conservation, and climate resiliency property improvement projects across California.

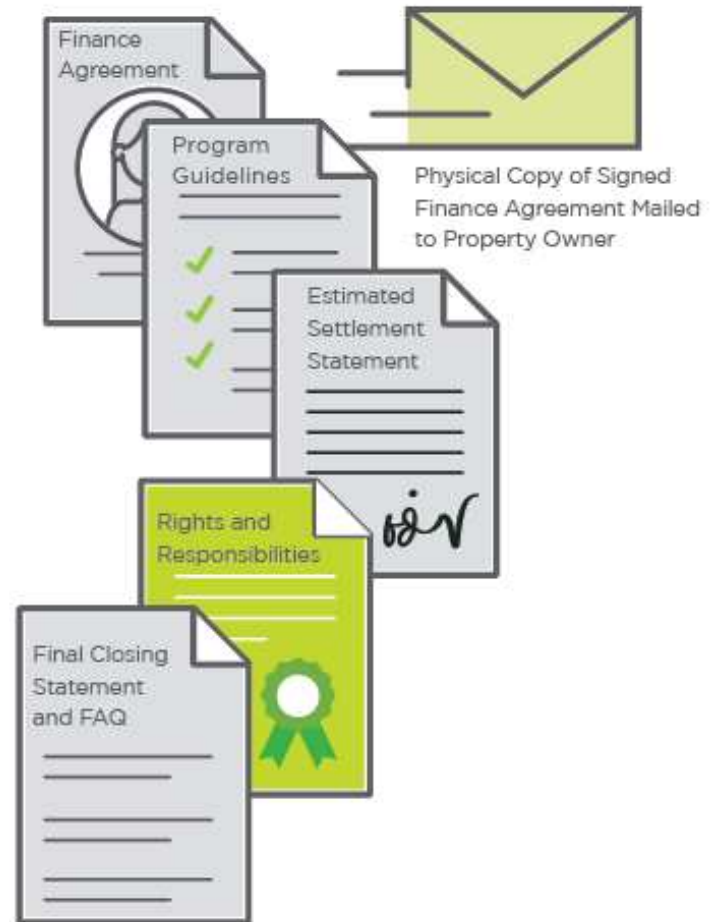


Data based on University of Southern California Schwarzenegger Institute research, "Impacts of the Property Assessed Clean Energy (PACE) Program on the Economies of California and Florida," utilizing, in part, Ygrene's proprietary impact model. This represents estimated lifetime impacts of PACE projects completed by Ygrene since inception through November, 2021.

Comprehensive Consumer Protection Policies

PACE Provides Consumer Protections for all Homeowners

- PACE adopted [22 consumer protections policies](#), agreed upon by all companies that administer it.
- Regulated by the Department of Financial Protection and Innovation



Contractor Training and Oversight

Screening and Vetting

- ✓ Current and historical information about company thoroughly reviewed
- ✓ Status with licensing board reviewed
- ✓ Licensure verified
- ✓ Current general liability coverage required
- ✓ Workers' compensation insurance coverage required
- ✓ All personnel listed with license board are cross referenced against previously terminated Ygrene Authorized Contractors
- ✓ Consumer complaints evaluated (BBB/social media/licensing board and others)

Completed Training

- ✓ Registered Contractor Code of Conduct
- ✓ Consumer Protection Policies
- ✓ Must accurately represent the Program
- ✓ Contractor Participation Agreement signed at completion of training

Advertising Guidelines

- ✓ Guidelines for clear and truthful advertising
- ✓ Sensitive customer data is not shared for use in telemarketing or direct sales
- ✓ Contractors are never paid for referrals

Regular Reviews Conducted

- ✓ Review of operations and business practices
- ✓ Review of good standing with licensing board
- ✓ Workers' compensation and liability policies must remain in force
- ✓ Suspension or dismissal for failure to comply with Program rules
- ✓ Customer satisfaction surveys performed on completed projects

Account Support

Impound, Escrow Accounts, etc....

Ygrene supports customers to avoid costly 'catch-up' situations.

- ✓ Encourage saving or increasing monthly impound/escrow accounts

Prior to Construction

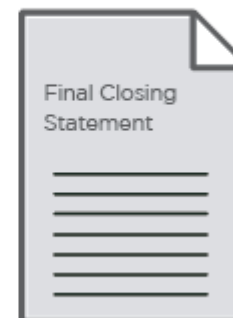


Physical Copy of Signed Finance Agreement Mailed to Property Owner



After Funding Emails

Reminders via email



Contractor Watchlist

Watch List Stages and Definitions

<i>Monitoring</i>	<i>Suspension</i>	<i>Termination</i>
<ul style="list-style-type: none">• Monitor Projects• Impose risk avoidance measures• Provide contractor with additional training/feedback	<ul style="list-style-type: none">• No submission of new projects• Suspends 'Notice To Proceed' (ability to start work)• Additional risk avoidance measures imposed	<ul style="list-style-type: none">• Permanent termination of registration• Deactivation/deletion of account• Prohibits re-introduction to program

Contractors are terminated from the program for violating any of the provisions in their Contractor Participation Agreement with Ygrene.

Tax Bill Notifications

Property owners receive three reminders before receiving their first tax bill that includes a PACE assessment

The diagram illustrates the timeline of tax bill notifications for property owners. It is divided into three vertical columns representing the months of August, September, and October. Each column shows a preview of the notification in both English and Spanish. The August notification is a letter sent by direct mail. The September notification is a letter sent by email. The October notification is a postcard sent by direct mail.

Month	Notification Type	Language(s)
August	Letter by Direct Mail	English, Spanish
September	Letter by Email	English, Spanish
October	Postcard by Direct Mail	English, Spanish

Lien FAQ's

How do I repay Ygrene's PACE Financing?

Your PACE financing will be added as an assessment which will show up as a new line item on your property tax bill. This new tax payment will remain on your bill for the length of the term you selected when you completed your financing agreement. Simply pay your property tax bill in the same way you have previously—either when the bill arrives or via your impound/escrow account.

Does financing with Ygrene result in a tax lien?

Yes. When you accept Ygrene financing, you agree to make the PACE repayments as a part of your property taxes.

Ygrene PACE financing is then repaid with your annual property taxes and secured by a continuing lien on the property.

The lien is only in effect for the term of your financing and will not remain on your property once the financing is repaid.

What happens with PACE financing if I sell my home or refinance?

In some cases, PACE payments may transfer to the new owner. Keep in mind that PACE is a “first priority lien”, which means that it could be prioritized over a mortgage loan if the property owner were to default on payments. So while property taxes are legally transferable, some mortgage lenders may require full repayment (payoff) of your remaining PACE tax obligation as a condition of a refinance or sale. Ygrene has also given property owners the ability to pre-pay down their PACE assessment with no penalty. Although they will still incur the interest associated with the financing; homeowners can remove the PACE assessment through prepayment and sell their home.

Could I lose my home if I miss a tax payment?

No. Though repossessing a home is technically possible if tax payments are delinquent, Ygrene has *never* foreclosed upon a customer, and doesn't have any plans to do so in the future.

Customer Resolutions Team

Resolving Issues When They Occur

- ✓ Acknowledgement same business day as notification
- ✓ Single point of contact within Ygrene assigned
- ✓ Thorough investigation of issue and evaluation of all documentation
- ✓ Aid in resolving disputes or challenges with contractor
- ✓ Access all resources within Ygrene to aid in resolution
- ✓ On site property inspection, if required

Highly Trained Consumer Escalation Team

- 1 Reconfirm that all steps from application to funding are completed
- 2 Clarify program details to all parties
- 3 Facilitation of additional contractor work, if required

Ygrene Customer Care:
Phone: (866) 634-1358
Email: Customer.care@ygrene.com

No Upfront Costs to Local Government

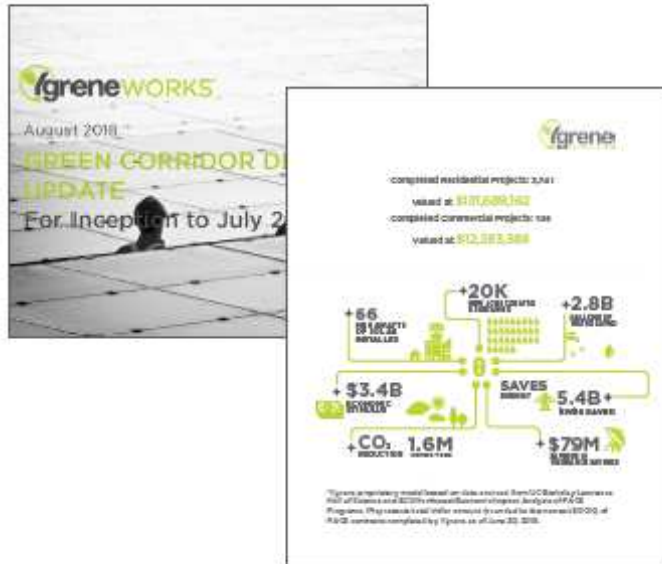
Ongoing Reimbursement for Services

- Service Fees paid to
- Auditor-Controllers
 - Property Appraisers/
Assessors
 - Tax Collectors
 - Other local agencies as directed

No Upfront Costs

- No start-up costs
- No setup or administrative fees
- No additional staff required for program

Reporting and Support



Transparency

- ✓ Monthly, Quarterly and Annual Reports
- ✓ Compliant reports delivered to partner Joint Powers Authorities, PACE Boards, and/or special districts
- ✓ Regular newsletters and program updates
- ✓ Reports provide relevant data for Climate Action Plans and Comprehensive Economic Development Strategies
- ✓ Government Portal *in development*

Support for Local Initiatives

- ✓ Climate Action Plans
- ✓ Economic Development Plans
- ✓ Seismic Mandates
- ✓ Wildland-Urban Interface Plans
- ✓ Water Conservation Mandates