

FORM

C-PACE Loan Closing Checklist (for Qualified Lenders and other Program Stakeholders)

In connection with the City of New York’s commercial property assessed clean energy loan program known as the “NYC Accelerator, PACE Financing program” (the “**Program**”), this checklist is being provided for informational purposes only by the New York City Energy Efficiency Corporation, in its capacity as Program administrator (“**Administrator**”) as a “closing checklist” in connection with the Project and Loan referenced below. Capitalized terms used and not defined herein have the meanings given in the Master Lender Agreement among Administrator, Paying Agent and the Lender referenced below (“**MLA**”). This document in and of itself will not serve to satisfy any conditions or requirements contained in any PACE Financing Documents.

Transaction Summary

Lender: [insert full legal name of entity]	Date of MLA: [insert date]	Loan Size: \$[●]
Guarantor: [insert full legal name of entity or “n/a”]	Date of Guaranty: [insert date or “n/a”]	
Borrower: [insert full legal name of entity]	Property Address: [insert full street address] BBL: [insert BBL]	
Date/Version of Guidelines applicable to this Project/Loan: [insert date/version]		

Important Dates

Date project became a Proposed Project:	[insert date]	Closing Date:	[insert date]
Date Project became an Approved Project:	[insert date]	Duration of construction period:	[insert number of months (or insert “n/a”)]
Date Project became an Effective Project:	[insert date]	Estimated Completion Date:	[insert date]
Date when first payment will be due from Borrower:¹	[insert date]	Required Completion Date:	[insert date]
Next upcoming PACE Charge Submission Deadline following Closing Date: [insert date]			

¹ As per the PACE Charge Payment Schedule provided by Lender

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
Part 1: Lender Status				
1.	The Lender continues to be a Qualified Lender in good standing under the Program	Def. and §10.1(q)		
2.	Lender's insurance is still in effect as per the most recent Insurance Certificate provided to Administrator	§5.4		
3.	No event has occurred that has had or could have a Material Adverse Effect with respect to Lender (or its guarantor, if applicable) and no event has occurred that would constitute a Material Legal Issue with respect to Lender (or its guarantor, if applicable)	§10.1(s)		
4.	No Default or Early Termination Event has occurred and is ongoing with respect to Lender	§2.1		
5.	The MLA has not expired and continues to be in full force and effect	---		
6.	Administrator/Paying Agent in receipt of properly and fully completed Wire Instruction Form and completion of "new lender onboarding" process related to same.	§5.8		
7.	<i>If</i> a guaranty was issued to Administrator in order to qualify Lender as a Qualified Lender, such guaranty continues to be in full force and effect.	Definition		
8.	<i>If</i> Lender has sold or transferred any of its Loans, Administrator has received from all applicable Qualified Transferees all documents and information required under the Program documents in connection with any sale or transfer of a loan originated by Lender.	§14.2(a)		
Part 2: Conditions-Precedent and Process for becoming a Proposed Project³				
9.	The Borrower meets the Borrower Eligibility Requirements	Definition; §6.5(a)(ii) and §10.1(f)		
(a)	the Borrower is a Person	Definition		
(b)	Borrower is the Property Owner of the Property	Definition		
(c)	Borrower is not an Affiliate of Lender	Definition		

² Unless otherwise indicated, references are to sections in the MLA.

³ Note to form: the review done under this Part 2 is referred to in the Guidelines as "Phase 1" of the application process (aka the "Intake phase")

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
(d)	Borrower is not delinquent in the payment of any taxes, civil penalties, or other debt to the City, or any water or sewer charges to the NYC Water Board, or DEP	Definition		
(e)	Borrower is not a Prohibited Person	Definition		
10.	The Property is an Eligible Site	Definition		
(a)	Borrower is the owner of record of the Property	Definition		
(b)	The Property is located in one of the five boroughs of New York City	Definition		
(c)	The Property is not a one- or two-unit residential building	Definition		
(d)	<i>If</i> the Property contains condominium units, the units are owned in common by a commercial entity, unless and until such time as a unit is sold.	Program Guidelines		
11.	Administrator has received a signed certification from Lender (duly signed by an authorized representative of Lender on a form acceptable to Administrator), certifying to Administrator and the City that the borrower is an Eligible Borrower and that the Property is an Eligible Site	Definition and form certification		
12.	Lender has otherwise submitted all information, materials and/or documents concerning the project or the loan as Administrator may reasonably require to confirm that all requirements are met to becoming a Proposed Project	§2.1(d)		
13.	Administrator has caused notice to be given to Lender that the project has met the requirements to become a Proposed Project	2.1(b)		
Part 3: Conditions-Precedent and Process for becoming an Approved Project⁴				
14.	Project has become a Proposed Project	§2.1(b)		
15.	Administrator receipt of all application materials (including those required under the Program Guidelines, and those necessary to satisfy the requirements of the technical assessment such as the Technical Certification and the Technical Certification Workbook), as certified to in the Lender Certification <u>See Module A (General Technical Review) below.</u>	§5.1(a)		

⁴ Note to form: the review done under this Part 3 is referred to in the Guidelines as “Phase 2” of the application process (aka the “data gathering phase”)

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
16.	Administrator receipt of the fully signed Program Financing Agreement and such Program Financing Agreement	§5.1(b)		
17.	The Program Financing Agreement for the Loan is either (A) on the form previously approved by Administrator and no substantive changes have been made thereto, except for those (if any) which are acceptable to Administrator; or (B) is otherwise in form and substance acceptable to Administrator.	§5.1(b)		
18.	Administrator receipt of the signed construction contract(s) between the Borrower and the primary Project contractor(s) to undertake the Project, and any and all amendments, change-orders or other similar modifications thereto (if any);	§5.1(c)		
19.	Administrator receipt of backup and/or supporting documentation substantiating the energy savings assumptions made in the Technical Certification and/or the Technical Certification Workbook.	§5.1(c)		
20.	Administrator receipt of backup and/or supporting technical, financial and other documentation substantiating all of the "Other Savings" described in the Technical Certification and/or the Technical Certification Workbook.	§5.1(c)		
21.	Administrator receipt of design drawings for the Project showing the improvements and/or measures incorporated into the final Project design	§5.1(c)		
22.	Administrator receipt of the recorded deed (or other instrument) pursuant to which the Property Owner came to be the owner of record of the Property, together with a recent title report on the Property (if available)	§5.1(c)		
23.	Administrator receipt of a recent title report on the Property (if available)	§5.1(c)		
24.	Administrator receipt of the most recent Statement of Account for the Property	§5.1(c)		
25.	Administrator receipt of evidence of the Eligible Costs and the Total Project Costs of the Project	§5.1(d)		
26.	If applicable, Administrator receipt of the form of Mortgage Holder Consent meeting all applicable requirements	§5.1(e)		
27.	(omitted)	§5.1(f)		
28.	Administrator receipt of the Collection Agreement, signed by Lender and Borrower	§5.1(g)		
29.	Administrator receipt of all other PACE Financing Documents not previously provided	§5.1(g)		

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
30.	Administrator receipt of the PACE Charge Payment Schedule	§5.1(h)		
31.	Administrator receipt of the Lender Certification signed by an authorized Representative of Lender	§5.1(i)		
32.	If the Project is a Retroactive Project (or will be a Retroactive Project as of the Closing Date for such Project), Administrator has received true, complete and correct copies of the duly executed Certificate of Completion for such Project and the duly executed Technical Certificate of Completion	§5.1(j)		
33.	Administrator has received a true, complete and correct copy of the duly executed TIPLA for such Project, duly executed by an authorized Representative of the Borrower.	§5.1(l)		
34.	<i>if</i> Borrower is an individual, Administrator has received a true, complete and correct copy of an appraisal of the Property acceptable to Administrator prepared by an appraisal firm acceptable to Administrator; ⁵	§5.1(m)		
35.	Administrator has received all other information, materials and/or documents as Administrator determines are necessary or appropriate to confirm that the requirements are met to becoming an Approved Project	§5.1(n)		
36.	Administrator has caused notice to be given to Lender that the Project has met the requirements to become an Approved Project	§2.1(d)		
Module A: General Technical Requirements <i>(Module A should be completed for every Project)</i>				
37.	Administrator receipt of the Technical Certification which has been fully and properly completed on the correct form, and has been signed by an authorized representative of the [certifying firm or company]	§5.1(a)		
38.	Administrator receipt of Technical Certification Workbook that has been fully and properly completed on the correct form.	§5.1(a)		
39.	The “Certifier” is properly qualified as a “Certified Energy Audit Contractor” and/or a “Feasibility Study Contractor” (each as defined in the Program Guidelines) in accordance with applicable NYSERDA guidance	Para. 3 of Tech. Cert.		
40.	The Project involves Energy Efficiency Improvements (as defined in the Program Guidelines) and/or a Renewable Energy System (as defined in the Program Guidelines)	Program Guidelines and applicable law		

⁵ Note: for purposes of determining whether or not a given appraisal and/or a given appraisal firm is acceptable - refer to the guidance document that may be made available upon request by Administrator.

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
41.	<i>If</i> the Project involves Energy Efficiency Improvements (as defined in the Program Guidelines), then the following requirements must all be satisfied:	Program Guidelines		
(a)	an energy audit for the Project has been performed and the related report has been received by Administrator;	Program Guidelines and applicable law		
(b)	the energy audit report indicates that the improvements and/or measures that are part of the Project are or will be “ <i>cost effective</i> ” and are “ <i>appropriate</i> ” as per applicable NYSERDA guidance and applicable law	Program Guidelines and applicable law		
(c)	the energy audit must not have been completed more than two years prior to: the date the Program Financing Agreement was signed <u>or</u> the date Project construction started (whichever is earlier)	Program Guidelines		
(d)	the energy audit and the related report meets all other applicable requirements;	Program Guidelines		
(e)	The Project has an SIR (as defined in the Program Guidelines) of 1.0 or greater	Program Guidelines and applicable law		
42.	<i>If</i> the Project involves a Renewable Energy System (as defined in the Program Guidelines), the following requirements must all be satisfied: ⁶	Program Guidelines		
(a)	a feasibility study for the Project has been performed and the related report has been received by Administrator;	Program Guidelines and applicable law		
(b)	the feasibility study indicates that the system that is part of the Project are or will be “ <i>feasible</i> ” as per applicable NYSERDA guidance;	Program Guidelines and applicable law		
(c)	the feasibility study must not have been completed more than two years prior to: the date the Program Financing Agreement was signed <u>or</u> the date Project construction started (whichever is earlier);	Program Guidelines		
(d)	The Project has an SIR (as defined in the Program Guidelines) of 1.0 or greater	Program Guidelines and applicable law		
(e)	the feasibility study meets all other applicable requirements	Program Guidelines		

⁶ NOTE TO FORM: If the Project involves a Renewable Energy System, see item #[●] on this checklist.

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
(f)	<i>if</i> requested, Administrator receipt of additional documents and/or information	Program Guidelines		
43.	<i>if</i> the estimated useful life of a given improvement, measure, item of equipment, system, etc. is based on a warranty, relevant warranty documentation has been received by Administrator.	Program Guidelines		
44.	In the process of preparing the energy audit or feasibility study, the Technical Certification and/or the Technical Certification Workbook, <i>if</i> any adjustments were made to the baseline data for existing building energy usage, then relevant backup and/or supporting documentation has been received by Administrator	Program Guidelines		
<i>(end of Module A)</i>				
<i>Module B: (reserved)</i>				
<i>Module C: Required Loan Features (Module C should be completed for every Project)</i>				
45.	The term of the Loan is less than or equal to the weighted average useful life of the improvements, measures or systems financed, as calculated in the Technical Certification	Program Guidelines and applicable law		
46.	100% of the Loan amount will be disbursed at closing or 100% of the Loan amount must otherwise be considered to have been borrowed and outstanding as of the Closing Date. (If there is a construction period, the proceeds of the Loan can be held in escrow (or under some other similar arrangement) and the Borrower can then draw down on the loan as construction progresses.)	Program Guidelines		
47.	Repayment of the Loan cannot be accelerated upon the occurrence of an event of default or any other event	Program Guidelines		
48.	The Loan is being made for a fixed rate of interest	applicable law, Program Guidelines and §6.2		
49.	If the Borrower is an individual, original principal amount of the Loan (not including interest) does not exceed the lesser of (a) 10% of the appraised value of the Property, or (b) the Eligible Costs	applicable law and Program Guidelines		

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
50.	The default rate of interest for the Loan is the rate charged by the City in the ordinary course in connection with delinquent tax liens.	§6.2		
51.	The original principal amount of the Loan does not exceed 100% of the properly documented Eligible Costs	§6.3(a)		
52.	The PACE Charge Payment Schedule properly contemplates that PACE Charges will be paid on a semi-annual basis on January 1 and July 1 of each applicable year.	§6.6		
53.	The PACE Charge Payment Schedule expressly itemizes or identifies each Servicing Fee payment to be made to Administrator on a semi-annual basis, and each such payment is for the correct amount	§6.6		
54.	The amount of the Administration Fee is correct	Def. and Program Guidelines		
55.	The Administration Fee will be paid to Administrator on the Closing Date	§9.1(a)		
<i>(End of Module C)</i>				
Part 4: Conditions-Precedent and Process for becoming an Effective Project⁷				
56.	Project has become an Approved Project (see <u>item #34</u> above)	§2.1(e)		
57.	Administrator has delivered to Lender the PACE Loan Notice executed by Administrator and notarized	§5.2(a)		
58.	Collection Agreement has been countersigned by City and NYCEEC (as Administrator and as Paying Agent) and delivered to Lender	§5.2(b)(ii)		
59.	if applicable, Administrator receipt of the signed Mortgage Holder Consent(s), meeting all applicable requirements	§5.2(b)(iv)		
60.	(omitted)	§5.2(b)(v)		

⁷ Note to form: the review done under this Part 4 is referred to in the Guidelines as “Phase 3” of the application process (aka the “documentation phase”)

No	Requirement, Document or Deliverable	Reference ²	Status / Comments / Notes	Requirement Satisfied?
61.	Administrator and City receipt of evidence of how Loan proceeds disbursed on or as of the Closing Date will be used/ applied	§5.2(b)(vi)		
62.	Administrator delivery to Lender of updated version of <u>Schedule I</u> to the MLA, which identifies the Project as an Effective Project	§5.2(b)(vii)		
63.	Administrator delivery of notice to Lender that the Project has met the requirements to become an Effective Project	§2.1(e)		
64.	Administrator receipt of notice from Lender that the Closing Date for the Loan has occurred	§5.6(a)		
65.	Lender has caused the PACE Loan Notice to be properly recorded in real property records for the Property and Administrator has received satisfactory evidence that the PACE Loan Notice has been submitted for recording	§6(a) of Collection Agreement; and §5.2(b)(iii)		
66.	If requested, Administrator receipt of additional documents and/or information			

Part 5: Other Notes and Comments

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