

Illinois Finance Authority PACE Program

The Illinois Finance Authority ("<u>IFA</u>") has standardized Commercial Property Assessed Clean Energy ("<u>C-PACE</u>") financing in Illinois through the nonpartisan, nonpolitical Illinois Finance Authority PACE Program ("<u>IFA PACE Program</u>"). At no cost to the county or municipality, the IFA PACE Program makes C-PACE financing available to any eligible record owner of eligible property that voluntarily requests the levy of a special assessment to secure the financing or refinancing of a PACE Project pursuant to an assessment contract.

Program Design

All parties benefit from IFA's vast experience in the issuance of conduit debt obligations (such as bonds or notes), which each year amounts to billions of dollars of long-term investment in voluntary projects of private sector borrowers in Illinois. Accordingly, IFA elected to leverage its competitive advantages to achieve vertical integration and economies of scale in collaboration with local governments to accelerate private investment in PACE Projects throughout Illinois.

The following matrix shows the relationships of local governments, the PACE Area Administrator, PACE Project Administrators, and capital providers to IFA under the IFA PACE Program:

LOCAL GOVERNMENTS	PACE AREA ADMINISTRATOR
Any county, city, village, or incorporated town that	C-PACE Open Market Initiative, a component unit
desires to create a PACE area can establish the IFA	of IFA, as the independent, neutral PACE Area
PACE Program by adopting the enabling PACE	Administrator, approves program administrators to
Ordinance and related Program Report provided by	participate on a non-exclusive basis in the IFA PACE
IFA.	Program as PACE Project Administrators.
ILLINOIS FINANCE AUTHORITY IFA has statewide authorization to issue bonds and notes to fund PACE Projects in any PACE area in accordance with the Property Assessed Clean Energy Act, 50 ILCS 50/1 et seq., and pursuant to the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq.	
CAPITAL PROVIDERS	PACE PROJECT ADMINISTRATORS
Upon approval by IFA, capital providers (or their	Upon approval by C-PACE Open Market Initiative,
designated transferee(s)) purchase bonds or notes	PACE Project Administrators originate financings or
issued by IFA and provide or arrange any related	refinancings of PACE Projects and provide or
interim financing by warehouse funds prior to the	arrange for the administration and servicing of such
issuance of such bonds or notes, in each case to fund	PACE Projects, with their own resources and within
PACE Projects.	appropriate guidelines.

Members of IFA also serve as the Board of Directors of C-PACE Open Market Initiative, which is a 501(c)(3) organization. Meetings of IFA and C-PACE Open Market Initiative are conducted in accordance with the Open Meetings Act, 5 ILCS 120/1 *et seq.*, as amended.