



*Handbook of Supplemental Information and  
Requirements*

Version 1.00  
Effective as of October 11, 2022

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## Section I Introduction

This Illinois Finance Authority PACE Program Handbook of Supplemental Information and Requirements (as amended, supplemented or modified from time to time, this “PACE Handbook”) is incorporated by reference into each Master Participation Agreement (as amended, supplemented, or modified from time to time, the “Agreement”) between the Illinois C-PACE Open Market Initiative, d/b/a C-PACE Open Market Initiative, an Illinois not-for-profit corporation, as the program sponsor (the “Program Sponsor”), and the program administrator that is a party thereto (each, a “Program Administrator”) as set forth therein.

If any inconsistency exists or arises between a provision of this PACE Handbook and a provision of the respective Agreement, the provisions of such Agreement shall control unless the PACE Handbook expressly states otherwise.

Capitalized terms used and not defined herein shall have the meanings ascribed to them in the respective Agreement.

This PACE Handbook will be amended from time to time, with or without notice to the Program Administrator. The “Effective Date” on the cover page of this PACE Handbook will indicate when the latest amendments were made. By continuing to participate in any Participating PACE Program after this PACE Handbook has been amended, the Program Administrator is agreeing to such amendments. The current version of the PACE Handbook is posted on the following website: [www.IFApace.com](http://www.IFApace.com).

The contact information for the Program Sponsor is as follows:

C-PACE Open Market Initiative  
c/o Illinois Finance Authority  
160 North LaSalle Street, Suite S-1000  
Chicago, IL 60601  
Telephone: (312) 651-1300 | (800) 717-6066 | (800) 526-0844 (TTY)  
Facsimile: (312) 651-1350

## **Section II** **Participating Governmental Units**

The following are the Participating Governmental Units. Unless otherwise indicated by an asterisk, the PACE area for each such Participating Governmental Unit is coterminous with the entire corporate limits of such Participating Governmental Unit. For those Participating Governmental Units with an asterisk, please refer to the applicable PACE Ordinance for details.

## **Section III** **Fees**

### **A. Fees Payable to Participating Governmental Units**

Suggested fee is \$150.00 per PACE Project. Please refer to the PACE Ordinance of the applicable Participating Governmental Unit for the actual fee. Each Participating Governmental Unit has the option to waive the fee on a case-by-case basis.

### **B. Fees Payable to Illinois Finance Authority**

50 basis points (0.50%) of the assessment amount, subject to a \$250 minimum and \$125,000 maximum per assessment contract. For any PACE Project funded by interim financing provided by a warehouse fund established by a capital provider, the proper allocation of services for purposes of revenue recognition by the Authority totals as follows:

- 45 basis points (0.45%) of the assessment amount payable at the time of execution and delivery of the related interim financing documents, plus
- 5 basis points (0.05%) of the same assessment amount payable at the time of issuance of the related bonds or notes.

### **C. Fees payable to Program Sponsor**

\$0.00 per PACE Project.

## **Section IV** **Insurance Requirements**

### **A. Minimum Scope and Limits of Insurance**

Each Program Administrator, at its cost, shall procure and maintain at all times during the term of its respective Agreement and during the time period following termination during which such Program Administrator is required to perform any Services, the insurance coverages and requirements specified below.

1. Commercial General Liability Insurance with a minimum limit of \$1,000,000 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000 per project.
2. Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of the Services with a combined single limit of \$1,000,000 per accident for bodily injury and property damage. If the Program Administrator does not use any owned, non-owned or hired vehicles in the performance of Services, Program Administrator shall obtain a non-owned auto endorsement to the Commercial General Liability policy.
3. Workers' Compensation Insurance as required by the State of Illinois and Employer's Liability Insurance with a minimum limit of \$500,000 per accident for bodily injury or disease. If the Program Administrator has no employees in the State of Illinois while performing the Services, workers' compensation policy is not required, but Program Administrator shall provide an executed declaration that it has no employees performing Services in the State of Illinois.
4. Professional Liability Insurance or Errors and Omissions Insurance with minimum limits of \$2,000,000 per claim and in aggregate.
5. Cyber Liability Insurance with minimum limits of \$5,000,000 per claim and in aggregate for disclosures and/or breaches of data arising out of or relating to the Services, including coverage for the costs associated with restoring lost or damaged data, sending breach notifications to affected individuals, public relations expenses, fines and penalties.

### **B. Additional Insured**

The commercial general and automobile liability policies shall contain an endorsement naming the Program Sponsor, any applicable Governmental Units, and their respective directors, officers, commissioners, employees and agents as additional insureds.

**C. Primary and Non-Contributing**

The insurance policies required shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to the Program Sponsor. Any insurance or self-insurance maintained by the Program Sponsor, the applicable Participating Governmental Unit, and their respective members of the governing body, directors, officers, commissioners, employees, agents or volunteers, shall be in excess of Program Administrator's insurance and shall not contribute with it.

**D. Program Administrator's Waiver of Subrogation**

The insurance policies required hereunder shall not prohibit the Program Administrator and the Program Administrator's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. The Program Administrator hereby waives all rights of subrogation against the Program Sponsor and each applicable Participating Governmental Unit.

**E. Subcontractor Insurance Requirements**

The Program Administrator shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements set forth herein.

**F. Program Sponsor's Right to Modify**

Notwithstanding any provisions in the Agreement to the contrary, the Program Sponsor maintains the right to modify, delete, alter or change the insurance requirements at any time from time to time. The Program Sponsor anticipates that it will review the insurance requirements once per year. The Program Sponsor will endeavor to provide all Program Administrators as much advance notice of the effective date of any change in the insurance requirements.

**Section V**  
**Additional Program Underwriting Guidelines**

At a minimum, each Program Administrator shall determine that each PACE Project meets the following program underwriting guidelines as of the date of the Compliance Certificate therefor, in addition to those guidelines prescribed in the Program Report of the Participating Governmental Unit and the PACE Act, which will be evidenced by the Compliance Certificate described hereafter.

**A. Maximum Combined LTV Ratio**

The maximum ratio of (a) the sum of (i) the amount of the assessment for a PACE Project plus (ii) the aggregate outstanding amount of all mortgage loans and all other assessments to (b) the value of the property used to determine the maximum amount of the assessment is not more than 1.0; provided that the maximum ratio may exceed 1.0 if and only if each holder of any mortgage expressly consents in writing thereto.

**B. Minimum Combined DSCR**

As of the first calendar year during which principal and interest will be paid on any outstanding assessments for a PACE Project, the minimum debt service coverage ratio of (a) the projected net operating income of the applicable property for such year to (b) the sum of (i) the projected aggregate annual amount of assessment installments for such property for such year plus (ii) the projected aggregate annual amount of debt service for all outstanding mortgage loans for such property for such year may not be less than 1.05x unless other forms of reserves or credit enhancement are provided to the satisfaction of the applicable capital provider or its designated transferee(s).



**Section VI**  
**Program Sponsor Representative**

The Program Sponsor Representative shall be the Executive Director (and, for purposes of the Agreement, any person duly appointed to any such office on an interim basis or otherwise authorized to act as provided by resolutions of the Program Sponsor) (each, a “Program Sponsor Representative”) and any other officer of the Program Sponsor.

**Section VII**  
**Form of Compliance Certificate**

[Insert Date]

In connection with [Describe PACE Ordinance] (the “PACE Ordinance”) adopted by [Insert Governmental Unit Name], a governmental unit duly organized and validly existing under the Constitution and the laws of the State of Illinois (the “Governmental Unit”), the undersigned, a duly authorized officer of [Insert Name Of Program Administrator], a [Insert Legal Entity Designation] (the “PACE Project Administrator”), and having in that capacity supervisory responsibilities over the matters referred to in this Certificate, hereby certifies, represents and warrants, as such officer, as follows in connection with the proposed Assessment Contract between the record owner named therein and the Governmental Unit annexed to this Certificate (the “Assessment Contract”) (capitalized terms used and not defined herein shall have the meanings set forth in PACE Ordinance):

1. The PACE Project Administrator has been authorized to participate in the Illinois Finance Authority PACE Program by the PACE Area Administrator and has entered into a Master Participation Agreement with the PACE Area Administrator dated as of [Insert Date] (the “Master Participation Agreement”).
2. The PACE Project Administrator is in compliance with all of its obligations under the PACE Ordinance and the Master Participation Agreement.
3. The Program Administrator has full power and authority under the laws of the State of Illinois to act as a program administrator for the Illinois Finance Authority PACE Program in the manner contemplated by the PACE Ordinance and the Master Participation Agreement.
4. The undersigned is a duly authorized officer of the PACE Project Administrator as indicated by the title set under his or her name and is authorized by the PACE Project Administrator to execute and deliver this Certificate.
5. All actions by the PACE Project Administrator by and on behalf of the Governmental Unit required by the PACE Ordinance and the Master Participation Agreement have been duly performed and accomplished.
6. The Assessment Contract is in the form approved by the Governmental Unit.
7. The Assessment Contract is in compliance with all eligibility, underwriting and other requirements set forth in the PACE Act, the PACE Ordinance, and the Master Participation Agreement.
8. Without limiting the generality of Paragraph 7, the PACE Project Administrator has verified that the property to which the Assessment Contract relates (the “Property”) is entirely within the PACE Area and, in compliance with Section 25(c) of the PACE Act and has received copies or proof of the notices and written consents required by Section

25(d) of the PACE Act from all mortgage holders identified in a title report with respect to the Property dated no earlier than 30 days prior to the date hereof or on such other evidence deemed reasonable under the circumstances by the PACE Project Administrator.

IN WITNESS WHEREOF, the PACE Project Administrator has caused this PACE Project Administrator's Certificate to be executed and delivered in its name by its duly authorized officer as of the date first set forth above.

[Insert Name of PACE Project Administrator]

By: \_\_\_\_\_  
Name:  
Title:

**Section VIII**  
**Form of Completion Certificate**

[Insert Date]

This Completion Certificate is being executed and delivered in connection with Section 4(h) of the Assessment Contract described below:

Name of Record Owner:

Name of Governmental Unit:

Name of PACE Project Administrator:

Property Address:

Assessment Contract Effective Date:

Portion of the Project to which this Completion Certificate Relates: [Insert "Entire Portion" or Describe the Portion]:

Contractor(s) to which this Completion Certificate Relates: [Insert the names of the Contractor(s) to which this Certificate Relates]:

The undersigned, a duly authorized officer of the Record Owner, and having in that capacity supervisory responsibilities over the matters referred to in this Certificate, hereby certifies, represents and warrants, as such officer, as follows (capitalized terms used and not defined herein shall have the meanings set forth in the above-described Assessment Contract):

1. The portion of the Project described above was properly acquired, constructed, installed, or modified by the Contractor(s) described above and is operating as intended.
2. The undersigned is a duly authorized officer of the Record Owner as indicated by the title set under his or her name and is authorized by the Record Owner to execute and deliver this Completion Certificate.

IN WITNESS WHEREOF, the Record Owner has caused this Completion Certificate to be executed and delivered in its name by its duly authorized officer as of the date first set forth above.

[Insert Name of Record Owner]

By: \_\_\_\_\_  
Name:  
Title: