




Ygrene PACE and Your California Property Taxes

How does PACE financing appear on property tax bills?

Repayment of YgreneWorks property assessed clean energy (PACE) financing is accomplished through a Mello-Roos special tax that appears as a line item on property owners' annual property tax bills. PACE financing payments are authorized under California state legislation *Mello-Roos Community Facilities Act of 1982* as amended, which was created to provide an alternate method of financing for public improvements and services, such as certain taxes for streets, sewer systems, schools, parks, police and fire protection. The taxes are secured by a continuing lien levied against the property.

SAMPLE PROPERTY TAX BILL (This is a mockup for illustrative purposes only.)

 <p>SACRAMENTO COUNTY SECURED PROPERTY TAX BILL 2014-2015 FOR FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015</p>		<p>JANUARY 1, 2014, LIEN DATE ASSESSED VALUES</p> <table border="1"> <tr><td>LAND</td><td>53,000</td></tr> <tr><td>IMPROVEMENTS</td><td>185,000</td></tr> <tr><td>FIXTURES</td><td></td></tr> <tr><td>PERSONAL PROPERTY</td><td></td></tr> <tr><td>ASSESSED VALUES SUBTOTAL</td><td>238,000</td></tr> <tr><td>LESS HOMEOWNERS EXEMPTION</td><td>7,000</td></tr> <tr><td>OTHER EXEMPTION</td><td></td></tr> <tr><td>NET ASSESSED VALUES</td><td>231,000</td></tr> </table>		LAND	53,000	IMPROVEMENTS	185,000	FIXTURES		PERSONAL PROPERTY		ASSESSED VALUES SUBTOTAL	238,000	LESS HOMEOWNERS EXEMPTION	7,000	OTHER EXEMPTION		NET ASSESSED VALUES	231,000
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<p>JULIE VALVERDE DIRECTOR OF FINANCE TAX COLLECTOR</p>		<p>ANNUAL TAX BILL</p>																	
<p>PLEASE NOTE YOU WILL NOT RECEIVE A SEPARATE BILL OR REMINDER NOTICE FOR THE 2ND INSTALLMENT</p>		<p>TAX RATE AREA CODE 51108</p> <table border="1"> <thead> <tr> <th>AD VALOREM TAXING AGENCY</th> <th>TAX BASE</th> <th>TAX RATE</th> <th>TAX AMOUNT</th> </tr> </thead> <tbody> <tr> <td>COUNTY WIDE 1%</td> <td>1</td> <td>1.00000</td> <td>2,310.00</td> </tr> <tr> <td>LOS RIOS COLL GOB</td> <td>1</td> <td>.01930</td> <td>44.50</td> </tr> <tr> <td colspan="3">AD VALOREM TAXING AGENCY TOTAL</td> <td>2,254.58</td> </tr> </tbody> </table>		AD VALOREM TAXING AGENCY	TAX BASE	TAX RATE	TAX AMOUNT	COUNTY WIDE 1%	1	1.00000	2,310.00	LOS RIOS COLL GOB	1	.01930	44.50	AD VALOREM TAXING AGENCY TOTAL			2,254.58
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<p>MAIL TO: JOHN DOE 123 STREET NAME CITY, STATE 00000</p>																			
LEVY #	STATUTORY	DIRECT LEVY NAME	PHONE NUMBER	LEVY AMOUNT															
0114	MELLO-ROOS	RANCHO MURIETA CFD #1 -2002 REF	800-676-7516	699.74															
0431	H & S 13800	SLOUGHHOUSE FIRE AREA	800-676-7516	100.00															
0443	WC 51335	WATER & DRAINAGE STUDIES - SCWA 13	916-874-7139	6.92															
0155	MELLO-ROOS	ELK GROVE SCHOOL DIST MR - CFD #1	916-686-7562	35.36															
0000	MELLO-ROOS	CLEAN ENERGY SAC	877-819-4736	683.00															

Your Annual Payment

Can the annual payment be added to an escrow account?

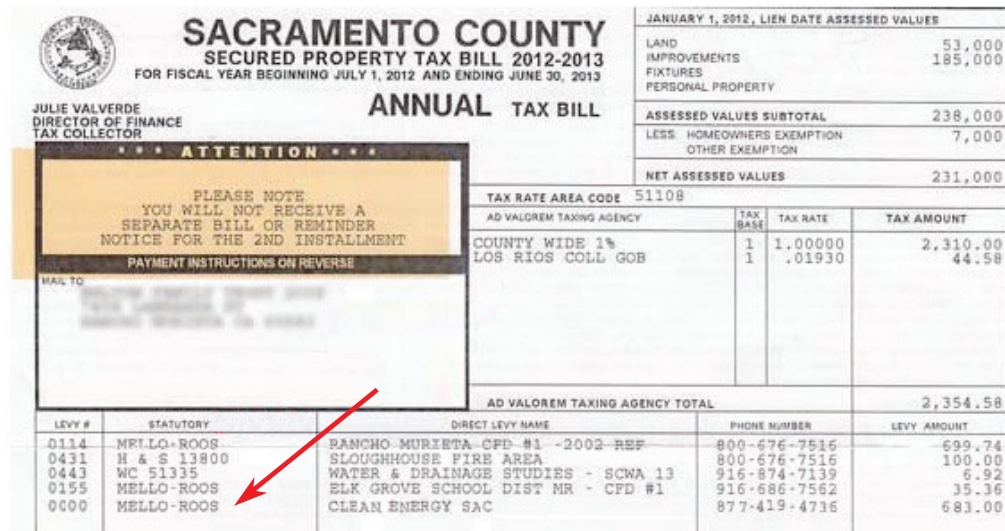
PACE financing payments can be added to a mortgage escrow account, but this does not happen automatically. To increase escrow account reserves, property owners must contact their mortgage lender or servicer and provide them with a copy of the final closing statement from Ygrene.

YGRENE WORKS™ TAX DEDUCTIBILITY

Are Ygrene Works™ payments tax deductible?

Repayment of Ygrene Works™ financing is accomplished through an annual *Mello-Roos* special tax that appears on participants' property tax bills. Just like certain taxes for schools, parks, sewage, etc., these payments are authorized under California state legislation known as the Mello-Roos Community Facilities Act of 1982 as amended.

The Internal Revenue Service and the California State Franchise Tax Board have indicated that Mello-Roos special taxes can be fully tax deductible, like other property taxes.



SACRAMENTO COUNTY
SECURED PROPERTY TAX BILL 2012-2013
FOR FISCAL YEAR BEGINNING JULY 1, 2012 AND ENDING JUNE 30, 2013

ANNUAL TAX BILL

JULIE VALVERDE
DIRECTOR OF FINANCE
TAX COLLECTOR

JANUARY 1, 2012, LIEN DATE ASSESSED VALUES

LAND	53,000
IMPROVEMENTS	185,000
FIXTURES	
PERSONAL PROPERTY	
ASSESSED VALUES SUBTOTAL	238,000
LESS: HOMEOWNERS EXEMPTION	7,000
OTHER EXEMPTION	
NET ASSESSED VALUES	231,000

TAX RATE AREA CODE 51108

AD VALOREM TAXING AGENCY	TAX BASE	TAX RATE	TAX AMOUNT
COUNTY WIDE 1%	1	1.00000	2,310.00
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AD VALOREM TAXING AGENCY TOTAL			2,354.58

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0000	MELLO-ROOS	CLEAN ENERGY SAC	877-419-4736	683.00

PLEASE NOTE
YOU WILL NOT RECEIVE A
SEPARATE BILL OR REMINDER
NOTICE FOR THE 2ND INSTALLMENT
PAYMENT INSTRUCTIONS ON REVERSE

“...based on California’s position and the legal opinion of the IRS, taxpayers in California who have not taken deductions for their Mello-Roos tax will have legal standing to do so for 2013 forward...”

Excerpted from, Financial News, the newsletter of MGM Financial Group January 2014 Issue

Important Note:

While the IRS and California State Franchise Tax Board have indicated that Mello Roos special taxes can be fully tax deductible, each taxpayer has the responsibility to establish that their Mello Roos special taxes from the Ygrene Works program are tax deductible. Professional tax advice should be obtained. Ygrene is not offering tax advice.