



City of North Platte
PACE DISTRICT
Program Manual

City of North Platte PACE DISTRICT Program Manual

SUMMARY

Property Assessed Clean Energy, or PACE is a financing tool enabling development of clean energy projects and energy efficient buildings and operations. Nebraska State Law {Nebraska Revised Statute Sections 13-3203 and 13-3204(3)} allows for the creation of Clean Energy Districts and defines PACE-eligible projects. City of North Platte Ordinance No. 4034 passed by the City of North Platte City Council on May 19, 2020 created the North Platte PACE District (NP-PACE) and provides further requirements for implementation of a PACE program in North Platte. The City Ordinance also directs the District Administrator (or his/her designee) to create a program manual that describes the application process, eligibility and other relevant program guidance. This NP-PACE Program Manual was created to satisfy that requirement.

The State law and the City ordinance provide the minimum requirements for a PACE application and project, as well as the circumstances under which an application or project will not be eligible for PACE financing. This program manual provides guidance for the program and clarification on topics not specifically addressed by either the State Law or City ordinance.

The intent of this program is to encourage the reduction of energy, water, and wastewater in our community as well as encourage the use of renewable energy systems. The City of North Platte views PACE as a tool to encourage developers and property owners to go beyond the requirements of energy and building codes to achieve meaningful reductions in energy and water use, and to employ renewable energy systems.

Terminology

It should be noted that references to “energy project”, “energy efficiency” or “energy savings” throughout this document are intended to include projects, efficiencies and savings associated with energy, water, wastewater, storm water or other eligible renewable energy systems and utility projects or equipment under the NP-PACE program consistent with this section.

Boundaries of the NP-PACE

Currently, only qualifying projects located within the North Platte city limits or its extraterritorial jurisdiction (“ETJ”) are eligible for PACE financing. Other local government jurisdictions within the State of Nebraska may join the NP-PACE upon establishment of an inter-local agreement.

Eligible Property Types

Although State Law allows for commercial, industrial, residential, and agricultural projects to be eligible for PACE; at this time, the City ordinance and the NP-PACE program only allows for commercial (including multifamily residential property comprised of more than four dwelling units) and industrial PACE projects.

Eligible Project Types

Projects including new construction and the rehabilitation of existing buildings and operations are eligible for PACE financing in the NP-PACE. The types of project improvements eligible for PACE financing within the NP-PACE include, but are not limited to the following:

- (a) Insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems;

- (b) Storm windows and doors; multi-glazed windows and doors; heat absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (c) Automated energy control systems;
- (d) Heating, ventilating, or air conditioning and distribution system modifications or replacements;
- (e) Caulking, weather-stripping, and air sealing;
- (f) Replacement or modification of lighting fixtures to reduce the energy use of the lighting system;
- (g) Energy recovery systems, including but not limited to, cogeneration and trigeneration systems;
- (h) Daylighting systems;
- (i) Installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity;
- (j) Facilities providing for water conservation or pollutant control;
- (k) Roofs designed to reduce energy consumption or support additional loads necessitated by other energy efficiency improvements;
- (l) Installation of energy-efficient fixtures, including, but not limited to, water heating systems, escalators, and elevators;
- (m) Energy efficiency related items (i.e. demolition/drywall replacement, etc. incident to efficiency equipment or material installation) so long as the cost of the energy efficiency related items financed does not exceed twenty-five percent of the total cost of the energy;
- (n) Waste recycling systems and support equipment;
- (o) Any other installation or modification of equipment, devices, or materials approved as a utility cost-saving measure by the municipality;
- (p) Renewable energy systems including but not limited to the following:
 - (i) Nonhazardous biomass;
 - (ii) Solar and solar thermal energy;
 - (iii) Wind energy;
 - (iv) Geothermal energy;
 - (v) Methane gas captured from a landfill or elsewhere; and
 - (vi) Photovoltaic systems;
 - (vii) Renewable energy system does not include an incinerator;
 - (viii) Renewable energy resource does not include petroleum, nuclear power, natural gas, coal, or hazardous biomass.

Timing and Eligibility

NP-PACE program will accept PACE applications for projects with an open building permit and/or not having received a final certificate of occupancy. The PACE application and instructions are available at www.ci.north-platte.ne.us and are included in this manual as Attachment 1.

Annual Assessment and Average Weighted Useful Life

Section 13-3203 (1) of the State law requires an “agreement to pay an annual assessment for a period not to exceed the weighted average useful life of the energy project.” The weighted average useful life includes only physical improvements to a property for which an average useful life may be calculated. Furthermore, the improvement must qualify as an energy efficiency improvement under Section 13-3203(3) of the Nebraska State law or other eligible improvement listed under “Eligible Project Types” (above).

Eligible Costs

Section 13-3205(1) of the State law states "the costs financed under the assessment contract may include the cost of materials and labor necessary for installation, permit fees, inspection fees, application and administrative fees, bank fees, and all other fees incurred by the owner pursuant to the installation."

Savings to Investment Ratio (“SIR”)

Nebraska State Law requires the savings realized by an energy project to equal or exceed the principal cost of the energy project, unless a waiver is granted. Therefore, a SIR of 1.0 or greater is required for all energy projects, unless a waiver is granted. The SIR is generally calculated by dividing the projected energy savings for the life of the improvements by the cost of the eligible energy efficiency improvements. When calculating the SIR, the SIR for individual discrete components of the project for which PACE funding is being requested must be provided. The City’s approval will be based on the total SIR for the entire project meeting an SIR of 1.0 or greater unless a waiver is granted.

Applicants should include estimated operations and maintenance costs, and projected increases (escalations) in the cost of energy use, in the calculations.

The applicable City official will evaluate the methodology used to determine the energy savings calculations. Please include in the application an explanation of the methodology used to determine the SIR.

Applicants may request a waiver of the estimated economic benefit or SIR requirement and must submit a rationale for this request along with the application, if they choose to do so. The District Administrator may grant or deny the applicant’s request for a waiver. The applicant may appeal a denial of a waiver request.

Energy Projects and Building Codes

The City requires an energy project to meet all relevant energy and building codes. However, for new construction, only aspects of the energy project that exceed energy and building codes are eligible for PACE financing in the NP-PACE. Nebraska energy codes are presented at http://www.neo.ne.gov/home_const/iecc/iecc_codes.htm.

Costs associated with building to these requirements are eligible under the NP-PACE with the exception of new construction which is required to exceed such requirements as referenced above.

Verification of Completed Energy Project

Section 13-3204(m) of the Nebraska State Law requires the municipality to obtain verification that the renewable energy system or energy efficiency improvement was properly installed and is operating as intended. To meet these criteria, City Inspectors must sign off on components of the project for which they have jurisdiction. Additionally, a professional engineer licensed in the State of Nebraska must provide a letter

to the applicable City official stating the systems or improvements were properly installed and are operating as intended.

Funding Level and Fees

The NP-PACE fee structure is summarized in the following table:

Application Fee	Administrative Fee	Annual Fee
\$1,000.00	1% of loan not to exceed \$25,000.00	\$500.00

The application fee is collected at the time of application. This fee is not refundable.

An administrative fee is due upon approval of the PACE project, and shall be paid no later than at the time of closing of the PACE loan. The administrative fee shall be subject to a 50% reduction for a project requiring submission of Tax Increment Financing (TIF) fees.

An annual fee will be collected throughout the life of the loan.

NP-PACE Application Instructions

The City's PACE application is included in this manual as Attachment 1 and is also located at the following web address: www.ci.north-platte.ne.us , along with other PACE-related resources.

Your completed applications should be submitted to:

Judy Clark
Planning Administrator
City of North Platte
211 West Third Street
North Platte, NE 69101
ClarkJM@ci.north-platte.ne.us
308-535-6724 ext. 3244

Applicants should, as best as they can, provide responses to questions within the application form, rather than relying on attachments. Attachments providing supporting data, drawings, and calculations are acceptable.

Provided below is clarification for specific sections of the application.

Project Details

Please describe the entire project, not just PACE components of the project. Please include drawings, maps, and photographs, when appropriate.

Financing Details

Applicants may add rows to the tables provided in this section.

A Professional Engineer licensed in Nebraska is required to determine the energy savings calculations.

Other Topics

Applying for both PACE and TIF

If the project requires both PACE and TIF funding, applicants should indicate as such on the application.

Who reviews the applications?

The District Administrator or the District Administrator's representative will review the applications. Please direct inquiries and submit your application to: ClarkJM@ci.north-platte.ne.us , receiving applications on behalf of the District Administrator.

Who approves the applications?

The District Administrator and City Administrator, or their designees, approve or disapprove the applications or may request additional information from the applicant. The District Administrator and City Administrator will approve or disapprove the application based upon material submitted by the applicant. The District Administrator and City Administrator may consult with other city staff and the City Attorney as part of the application review process.

City of North Platte
 PACE Program Administrator
 211 West Third Street
 North Platte, NE 69101
 308-535-2764 ext. 244

PACE PROJECT APPLICATION

Name of Project _____

Property Owner Information

Legal Name of Property Owner (Applicant): _____

Contact Person: _____

Tax ID Number (FEIN or SSN): _____

Address: _____ City: _____ State _____ Zip _____

Phone: _____ Fax: _____ E-mail: _____

Property Information

Address: _____ City: _____ State: _____ Zip: _____

Property Legal Description: _____

Property Type: _____ Tax Key Number (APN#): _____

Assessed Property Value: _____ Appraised Property Value: _____

Building Size: _____ Year Building Built _____

Other PACE Projects

Has the property owner previously applied for PACE for this or any other property within the PACE district? Yes _____ No _____

If yes, please provide details:

Office Use Only

Rec'd By	Date Rec'd	PACE Application Fee (Due at Submission)	Administrative Fee (Due at Closing)

Approved Condition(s): _____

Disapproved Reason(s): _____

By: _____ Date: _____

Project Narrative: Briefly describe the overall project. *Submit separate sheets if necessary.*

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Project Details: *Submit separate sheets if necessary*

Measure	Description / Specification of Energy / Water Measure
#1	
#2	
#3	
#4	
#5	
#6	

Note: Energy and water savings should be over term of financing period rather than useful life, unless useful life is less than the term.

Measure #	Construction Costs/Bids	Estimated Useful Life (yrs.)	Year #1 Energy & Water Savings	Year #1 Maintenance & Operational Savings	Over Term Energy & Water Savings (specify % growth/yr.)	Over Term Maintenance & Operational Savings (specify % growth/yr.)	Over Term Total Savings (Energy + Water + O&M)
#1							
#2							
#3							
#4							
#5							
#6							
Estimated total energy savings (in kBtu, kwh or therms)							
Estimated total water savings (gal.)							
On-site renewable capacity (In kW)							
Expected \$ amount of utility incentives, rebates, solar tax credits, other benefits <i>Please specify which</i>							
Name, credentials, contact info of agent determining energy & water savings data							
Total costs of improvements/measures							
Name of general contractor firm Licensed in NE & bonded? Yes/No							
General contractor contact person Contact person phone Contact person email							
Projected jobs created by PACE Project and Project Environmental Benefits							

Mortgage Lien & Deed of Trust Holder Information: *Signed mortgage lien or deed of trust holder consent and subordination agreement required prior to closing of the PACE loan. (Attach additional pages if more than 1 mortgage or lien holder)*

Financial institution name	
Financial institution contact person	
Contact person phone & email	

Financing Details

PACE capital provider	
PACE consultant (if any)	
Proposed PACE term (<i>in years</i>)	
Proposed interest rate and any Fees	
Annual assessment amount	
PACE District administrative fee	
Financing closing date (est.)	

Approval Criteria

Please mark all that apply. *Note: property owner refers to the legal entity which owns the property.*

- Applicant owns the property where the project will be located.
- Proposed improvements will be affixed to the property.
- The property owner has sufficient resources to complete the project.
- There are no delinquent ad valorem taxes for this property.
- There are no delinquent personal property taxes for this property.
- There are no delinquent special assessments for this property.
- There are no overdue or delinquent water or sewer charges for this property.
- There are no involuntary liens, including but not limited to construction liens for this property.
- There are no notices of default pursuant to any mortgage or deed of trust related to this property.
- The property owner has not declared bankruptcy in the last five years.
- The property owner is solvent and has no significant pending legal action.
- There are no unresolved or pending violations or complaints of violations of the City's Municipal Code for this property.
- The property owner understands that the estimated economic benefit, including, but not limited to, energy cost savings, maintenance cost savings, and other property operating savings expected from the energy project during the financing period, is equal to or greater than the principal cost of the energy project (SIR), unless a waiver is requested.

- The property owner is duly organized, validly existing and in good standing in the state of its organization, with authority to do business under the laws of the State of Nebraska.
- All owners of the property are aware of and approve the project.
- Prior to the PACE loan closing, the property owner will provide an acknowledged and verified written consent and subordination agreement executed by each mortgage holder or trust deed beneficiary stating that the mortgagee or beneficiary consents to the imposition of the annual assessment and that the priority of the mortgage or trust deed is subordinated.
- The property owner possesses all legal authority necessary to execute all project documents.
- All required permits, consents, approvals and authorizations in connection with the project have been obtained or will be obtained.

If any of these criteria are not met, please attach an explanation.

Required Application Documents and Information

The following documents and information are needed at time of application submission to obtain approval for funding:

- Applicant name and contact information, including property owner and developer. *
- Project location and legal description.*
- Identification of contractor or supplier, including anticipated PACE contractor.*
- Project description.*
- Total project cost.*
- Description of proposed improvements.*
- Description of energy efficiency project to be financed.*
- Amount of requested assessment.*
- Interest rate on the PACE assessment and any required fees.*
- Term of assessment.*
- Energy savings report indicating estimated energy savings and estimated cost savings for the energy project. *
- Title report showing any mortgage or lien holders. (attach title report)
- Lender consent (*attach draft consent document*)
- Projected jobs created by PACE project.*
- Projected environmental benefits.*
- Energy analysis report (attach engineer's report identifying qualifying energy and water conservation measures, energy and water conservation cost savings, maintenance cost savings, and other property operating savings expected from the energy and water conservation project).
- If the property owner wishes to request a waiver of the estimated economic benefit (SIR) requirement, please attach a brief explanation for the request.
- Funding source.*
- Assessment contract (to be provided after application approval and before loan closing date)
- Completed application or attachments with required information.

**** included on application form or as attachment.***

Submission Instructions

Submit this application and necessary documents to:

Judy Clark
Planning Administrator
City of North Platte
211 West Third Street
North Platte, NE 69101
ClarkJM@ci.north-platte.ne.us
308-535-6724 ext. 3244

Property Owner Signature

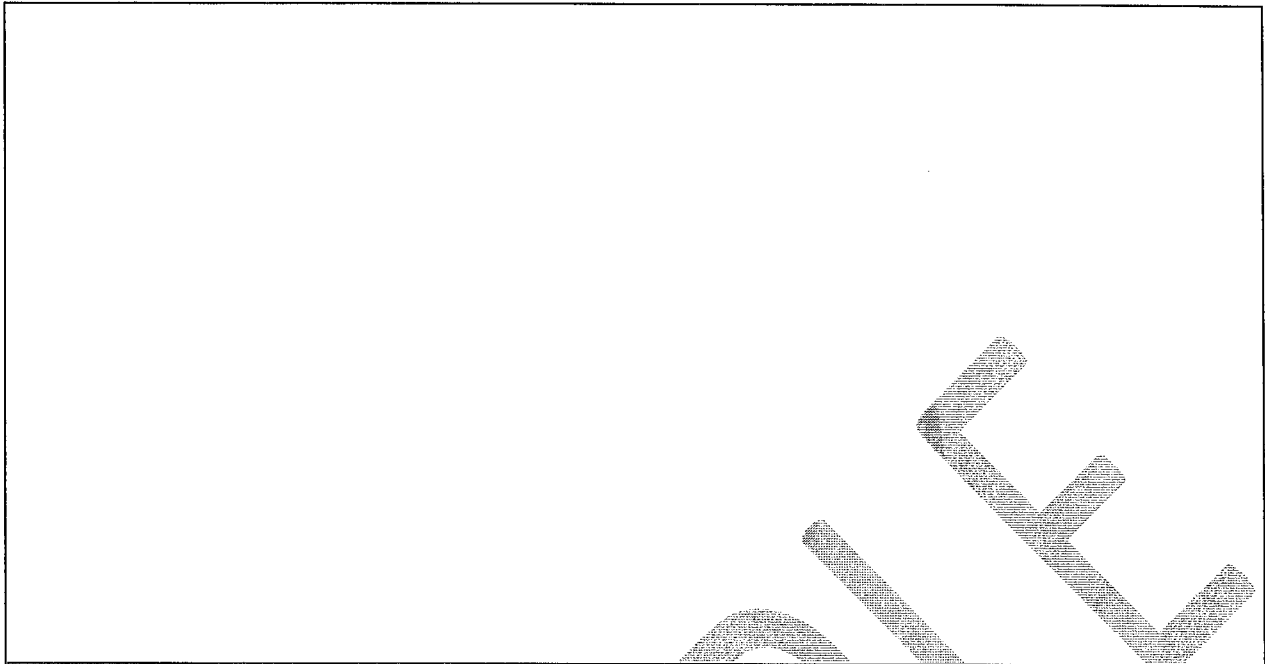
To the best of my knowledge, the statements made above are complete, true and accurate. I hereby certify that I am authorized to submit this application and affix my signature below. I recognize that submission of this application does not guarantee approval for funding.

Signature

Title

Printed name

Date



ASSESSMENT CONTRACT

THIS ASSESSMENT CONTRACT (this "Contract"), is made and entered into this ____ day of _____, 20____ (the "Effective Date") by and among THE CITY OF NORTH PLATTE, a Nebraska municipal corporation ("City"), which created **THE NORTH PLATTE PACE DISTRICT**, a clean energy assessment district pursuant to Ordinance No. 4034 ("NP-PACE") and _____ ("Lender"), and _____ ("Property Owner"), and is made a part of that certain Construction Loan Agreement dated as of the same date made by and between Lender and Property Owner, such Construction Loan Agreement hereafter referred to as the "Loan Agreement."

WITNESSETH

WHEREAS, Property Owner is the owner of certain real property located at _____ in the City (as further described on **Exhibit A** attached hereto, the "Property");

WHEREAS, the City has adopted Ordinance No. 4034, which is incorporated herein by this reference (the "Ordinance"), by which the Municipality created a clean energy assessment district comprised of all areas within the City and its extraterritorial jurisdiction pursuant to Nebraska Revised Statute §§13-3201 to 13-3211, inclusive, and known as the "Property Assessment Clean Energy Act," (the "Act") and provides for repayment of financed costs through annual assessments pursuant to assessment contracts entered with property owners and third party lenders;

WHEREAS, Property Owner has obtained and recorded in the office of Register of Deeds of Lincoln County the acknowledged and verified written consent and subordination agreement required by Neb.

Rev. Stat. §13-3205(2)(a) of all persons or entities that currently hold mortgage liens or deeds of trust on the Property, if any, to the Loan, as herein defined and this Contract, and represents to the City that all applicable requirements and conditions of Neb. Rev. Stat. §13- 3205(2) have been satisfied;

WHEREAS, Property Owner intends to make energy efficiency improvements (as such term is used in Neb. Rev. Stat. §13-3203(3) of the Act) at the Property, as described on **Exhibit B** attached hereto and including the information required by Neb. Rev. Stat. §13-3203(3)(a) (the "Project");

WHEREAS, Lender has agreed to make a loan to Property Owner in the amount of \$_____ (the "Loan"), the proceeds of which will be used to fund the implementation of the Project, and the repayment of which will be made from PACE special assessments levied on the Property pursuant to the Act and this Contract;

WHEREAS, City has agreed to direct the Lincoln County Treasurer to levy special assessments, collect or cause the collection of the special assessments, record such special assessments as a lien on the Property, as allowed by the Act, and remit payments on such special assessments to City which will then remit such payments on such special assessments to Lender to be applied to pay down the Loan, all as more particularly set forth herein;

WHEREAS, City is authorized to enter into this Contract pursuant to the Act.

NOW, THEREFORE, for and in consideration of the making of the Loan and the financing and collection arrangements between Lender, Property Owner and City, and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Lender, Property Owner and City agree as follows:

1. Defined Terms. The words and phrases as specifically defined in NEB. REV. STAT. § 13-3203, as amended, or in the Ordinance shall have their defined meanings. The following capitalized terms used in this Contract shall have the meanings defined or referenced below or in the Recitals above:

"Semi-Annual Installment" means the portion of the Loan Amount that is due in a particular year as more fully described in Sections 2 and 5 hereof and shown on **Exhibit C**, as may be increased by the County Treasurer Fee, if applicable, pursuant to Section 5(a).

"County Treasurer" means the office of the Lincoln County Treasurer.

"Register of Deeds" means the office of the Register of Deeds for Lincoln County.

"Lender Parties" shall have the meaning set forth in Section 12(a) hereof.

"Liabilities" shall have the meaning set forth in Section 11(a) hereof.

"Loan" shall have the meaning set forth in the Recitals above.

"Loan Amount" means, as of any date of computation, the outstanding amount of all principal under the Note, accrued but unpaid interest and any applicable penalties, costs, fees, charges, late payment charges, default interest rate charges, prepayment premiums or administrative expenses related to the Loan, including without limitation, the administrative fees set forth in Section 14 hereof and any and all other administrative fees to be paid to County Treasurer or Lender by Property Owner in connection with the Loan.

"Loan Agreement" shall have the meaning set forth in the Preamble above.

"Note" shall have the meaning given such term in the Loan Agreement.

"PACE Special Assessments" means the aggregate amount of all Semi-Annual Installments of the Loan Amount, which Semi-Annual Installments shall be levied as special assessments pursuant to Neb. Rev. Stat. §13-3205(7) of the Act.

"City Parties" shall have the meaning set forth in Section 11(a) hereof.

"Tax Year" means the period from January 1 through the following December 31.

2. Payments. The Loan Amount shall be payable in Semi-Annual Installments. The Loan shall bear interest, including default interest, at the rates set forth in the Note and payments shall be due under the Note and the Loan Agreement as more fully described therein and in Section 5 of this Contract, ending upon payment in full of the Loan Amount and all other charges, fees, expenses and other amounts due under this Contract, the Loan Agreement and the Note. The amounts of the Semi-Annual Installments are based on a Loan Amount as of the date of this Contract of \$ _____. The Loan shall be fully amortized over the term of the Loan, and shall be repaid on the terms set forth in this Contract, the Loan Agreement and the Note. Each year during the term of this Contract, Lender shall supply City with the amount of the Semi-Annual Installment for such year by delivering a completed Lender Installment Certificate in the form attached hereto as **Exhibit D** on or before December 31 of such year. Should Lender fail to deliver a Lender Installment Certificate on or before December 31 of any year, with a copy to the Property Owner, the Semi-Annual Installment shall be presumed to be the same as the Semi-Annual Installment for the applicable year as shown on **Exhibit C**, with any surplus or shortfall to be addressed by adjusting the amount of the subsequent year's Semi-Annual Installment.
3. Consent to PACE Special Assessments.
 - a) By entering into the Contract, City hereby agrees to enforce the PACE Special Assessments and impose the Semi-Annual Installments as special assessments pursuant to the Act in the manner specified in this Contract. Upon execution of this Contract, City will cause this Contract to be recorded against the Property in the office of the Register of Deeds.

- b) Property Owner hereby agrees and acknowledges: (i) that Property Owner has received or will receive a special benefit by financing the Project through NP-PACE that equals or exceeds the total amount of the PACE Special Assessments; (ii) that the Property is subject to the PACE Special Assessments and consents to the levy of the Semi-Annual Installments; (iii) that Property Owner shall pay the Semi-Annual Installments when due pursuant to the terms set forth in this Contract, the Loan Agreement and the Note; and (iv) that Semi-Annual Installments of the PACE Special Assessments are a lien on the Property as provided in the Act and the Ordinance.
4. Term. This Contract shall remain in full force and in effect until the Loan Amount and all other charges, fees, expenses and other amounts due under this Contract, the Loan Agreement and the Note have been paid in full.
5. Semi-Annual Installments.
- a) During the term of this Contract, City expects to collect the Semi-Annual Installments with the assistance of the County Treasurer. The County Treasurer shall collect the Semi-Annual Installments and City, the Property Owner and the Lender agree that the County Treasurer may deduct from such Semi-Annual Installments a collection fee in such amount as allowed by law (the "County Treasurer Fee").
 - b) The aggregate amount of all PACE Special Assessments shall equal the Loan Amount and any such amount as needed to pay the County Treasurer Fee, as shown on **Exhibit C** attached and incorporated by this reference.
 - c) Property Owner hereby agrees to pay the property tax bills and Semi-Annual Installments for the Property during the term of this Contract, which shall not exceed the weighted average useful life of the energy project, in a timely fashion so as to avoid any default or delinquency in such payment.
 - d) If Property Owner fails to pay all or part of any Semi-Annual Installment when due, the parties hereto acknowledge and agree that: (i) default interest on the unpaid amounts of the Semi-Annual Installments shall accrue in favor of Lender as set forth in the Note; (ii) such default interest shall be added to the PACE Special Assessments and shall be included as part of the Semi-Annual Installments due thereafter unless and until all such accrued and unpaid default interest is paid in full; and (iii) such default interest shall be in addition to any and all penalties and interest that may be imposed by or accrue in favor of City as a result of Property Owner's failure to pay real estate or other property taxes or other assessments on the Property. In addition, Semi-Annual Installments shall continue to be levied as special assessments notwithstanding Property Owner's failure to pay all or part of any past Semi-Annual Installment, such that the County Treasurer shall continue to levy Semi-Annual Installments, including default interest to be paid to Lender, until the Loan Amount, including all accrued and unpaid interest, is paid in full.
 - e) Property Owner hereby acknowledges and agrees that failure to pay any Semi-Annual Installment of the PACE Special Assessments, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing in favor of Lender on the amounts due, in addition to penalties and interest that may accrue in favor of City. In addition, City shall record a PACE lien on the Property as a result of any delinquent

Semi-Annual Installments of the PACE Special Assessments. Furthermore, Property Owner agrees not to seek a compromise of any delinquent Semi-Annual Installment.

6. Loan Amount; Prepayment.

- a) Subject to the terms and conditions in the Loan Agreement, Lender agrees to disburse to Property Owner the Loan Amount.
- b) Property Owner may only prepay the Loan as set forth in the Construction Loan Agreement. In the event of any permitted prepayment, Lender shall certify to Property Owner and City the aggregate amount due on the Loan, including principal, interest, and fees and any prepayment premium, within thirty (30) days of receipt of a written request for prepayment from Property Owner. City shall certify to Property Owner and Lender any and all amounts collected by City and not yet remitted to Lender within fifteen (15) days of receipt of a written request for prepayment by Property Owner, as well as any administrative fees payable, but not yet collected, as of the anticipated prepayment date. To the extent that City has received any funds from Property Owner prior to Property Owner's requested date of prepayment, but has not yet remitted the same to Lender, City shall remit the same to Lender on or before the date of Property Owner's requested date of prepayment. No prepayment shall be effective, and no funds paid by Property Owner or City will be applied to the Loan Amount, unless and until Lender receives the full Loan Amount from City and Property Owner. Property Owner acknowledges that failure of City to remit any funds held by City on or prior to Property Owner's requested date of prepayment may result in additional interest due in connection with such prepayment.
- c) Without the prior written consent of Lender, which consent may be given or withheld in Lender's sole discretion, the Loan may not be prepaid in part and, if such consent is given, any such partial prepayment must be made in strict compliance with the terms and conditions set forth in such written consent, which terms and conditions may include a prepayment penalty. Any partial prepayment in violation of this provision will not be accepted by Lender. Notwithstanding the foregoing, Property Owner shall not be deemed to have made a prepayment if Property Owner decides to pay any Semi-Annual Installment in full, as opposed to payment on an installment basis, for any given year, as applicable.
- d) Lender, pursuant to Neb. Rev. Stat. §13-3205(3)(b), shall verify final costs of the energy project and ensure that any amounts paid by the City toward the costs of the energy project will not exceed such final costs.

7. Collection of Semi-Annual Installments; Payments to Lender.

- a) The County Treasurer shall follow reasonable and customary practices to collect the Semi-Annual Installments once levied, including assessing penalties and charging interest.
- b) City agrees to separately account for any Semi-Annual Installment payments collected or otherwise received for the Property from the County Treasurer. The City shall retain the annual fee, and then shall remit the balance of the collected Semi-Annual Installment payments to Lender in accordance with the payment schedule set forth in this Contract.

- c) City shall remit the balance to Lender as approved by City Council for payment.
8. Other Obligations Payable from Special Charges. City will not issue or incur any obligations payable from the proceeds of the PACE Special Assessments nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon the PACE Special Assessments or the Semi-Annual Installments, except for administrative fees as provided in this Contract or as allowed by the Act.
9. City Representations regarding Loan and Loan Documents. The undersigned, on behalf of City, hereby represents to Lender and to Property Owner that: (i) they entering this Contract pursuant to applicable provisions of the Act and City of North Platte Ordinance No. 9752; (ii) it is their intent and belief that this Contract is and will be the valid and legally enforceable obligation of City, enforceable in accordance with its terms except to the extent that enforcement thereof may be subject to legal challenge, including without limitation bankruptcy and other similar laws affecting creditors' rights generally; and (iii) to their knowledge this Contract and the dollar amount and all other terms and conditions set forth herein are in compliance with the provisions of the Act and the Ordinance. City shall at all times, to the extent permitted by law and from time to time authorized by the City Council of City, defend, preserve and protect the PACE Special Assessments created by this Contract.
10. Re-Levy of Special Charge. If City shall have omitted to cause the assessment or collection of any PACE Special Assessments when it is required by this Contract or by the Act or Ordinance to have done so, then City shall take all necessary steps that are then available to cause new PACE Special Assessments (equal in amount to those not assessed, levied or collected plus interest and penalties, if any, thereon) to be levied against the Property in addition to those PACE Special Assessments otherwise to be levied or assessed against the Property.
11. Waiver of Claims Against City.
- a) For and in consideration of City's execution and delivery of this Contract, Property Owner, for itself and for its successor-in-interest to the Property and for any one claiming by, through or under Property Owner, hereby waives the right to recover from City, NP-PACE, or any officials, agents, employees, attorneys or representatives of City or NP-PACE (collectively, the "City Parties"), and fully and irrevocably releases, indemnifies, holds harmless, and shall defend the City Parties, and each of them, from and against, any and all claims, costs, expenses, obligations, liabilities, causes of action or damages including attorneys' fees and court costs, that Property Owner may now have or hereafter acquire against any of the City Parties and arising out of, accruing from or related to: (i) this Contract, (ii) the disbursement of the Loan Amount, (iii) the levy and collection of the Semi- Annual Installments, (iv) the imposition of the lien of the PACE Special Assessments, (v) the performance of the Project, (vi) the Project, (vii) any damage to or diminution in value of the Property that may result from construction or installation of the Project, (viii) any injury or death that may result from the construction or installation of the Project, (ix) the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and their action or inaction with respect to the Project, (x) the merchantability

and fitness for any particular purpose, use or application of the Project, (xi) the amount of energy savings resulting from the Project or any assured performance guaranty, (xii) the workmanship of any third parties under any agreements including any construction contracts, and (xiii) any other matter with respect to the Program (collectively, the "Liabilities").

- b) This release includes without limitation claims, costs, expenses, obligations, liabilities, causes of action and damages of which Property Owner is not presently aware or which Property Owner does not suspect to exist which, if known by Property Owner, would materially affect Property Owner's release of the City Parties. Notwithstanding the foregoing, Property Owner's release under this section shall not extend to Liabilities arising from City's intentional default, gross negligence or willful misconduct.
- c) This Section 11 shall survive the disbursement of the Loan Amount or any portion thereof, the payment of the Loan Amount in full, the transfer or sale of the Property by Property Owner and the termination of this Contract.

12. Waiver of Claims Against Lender.

- a) For and in consideration of Lender's execution and delivery of this Contract, Property Owner, for itself and for its successor-in-interest to the Property and for any one claiming by, through or under Property Owner, hereby waives the right to recover from the Lender and any and all officials, agents, employees, attorneys and representatives of Lender (collectively, the "Lender Parties"), and fully and irrevocably releases the Lender Parties from, any and all claims, obligations, liabilities, causes of action or damages including attorneys' fees and court costs, that Property Owner may now have or hereafter acquire against any of the Lender Parties and accruing from or related to the Liabilities, as defined above.
- b) This release includes claims, obligations, liabilities, causes of action and damages of which Property Owner is not presently aware or which Property Owner does not suspect to exist which, if known by Property Owner, would materially affect Property Owner's release of the Lender Parties. Notwithstanding the foregoing, Property Owner's release under this Section shall not extend to Liabilities arising from Lender's intentional default, gross negligence or willful misconduct.
- c) The waivers and releases by Property Owner contained in this Section shall survive the disbursement of the Loan Amount or any portion thereof, the payment of the Loan Amount in full, the transfer or sale of the Property by Property Owner and the termination of this Contract.

13. Administrative Fees.

- a) Property Owner agrees to pay a one-time Administration processing fee to City in the amount of one percent (1%), not to exceed Forty Thousand Dollars (\$25,000.00) of the project costs, or _____ and /100 Dollars (\$ _____). Such payment shall be included in the initial Semi- Annual Installment.

b) The Semi-Annual Installments shall include an Annual Administrative Fee of One Thousand Dollars (\$1,000.00) to be collected by City in the amount of Five Hundred Dollars (\$500.00) per installment. This fee shall be included, on a Semi-Annual basis, in the Semi-Annual Installments to be set forth on Schedule of Semi-Annual Installments attached hereto as **Exhibit C**.

14. Project Completion. Upon completion of the Project, Property Owner will submit to City and Lender a written certification from Property Owner and the contractor(s), if any, that performed the work incident to the construction and installation of the Project, stating the actual cost of the Project. If the actual cost of the Project is less than the Loan Amount advanced by the Lender, the Property Owner shall immediately repay to City the excess of the amount advanced over such actual cost of the Project and City shall remit the full amount thereof to Lender.

15. Notices.

All notices, requests, demands and other communications hereunder shall be given in writing and shall be: (a) personally delivered; (b) sent by registered or certified mail, return receipt requested, postage prepaid; or (c) sent to the parties at their respective addresses indicated herein by private overnight mail courier service. The respective addresses to be used for all such notices, demands or requests are as follows:

a) If to Property Owner, to:

or to such other person or address as Property Owner shall furnish to Lender and NP-PACE in writing.

b) If to Lender, to:

or to such other person or address as Lender shall furnish to Property Owner and City in writing.

c) If to City, to:

or to such other person or address as City shall furnish to Property Owner and Lender in writing.

If personally delivered, such communication shall be deemed delivered upon actual receipt (or refusal to accept delivery); if sent by registered or certified mail, such communication shall be deemed delivered upon actual receipt (or refusal to accept delivery); and if sent by overnight courier pursuant to this Section, such communication shall be deemed delivered upon receipt. Any party to this Contract may change its address for the purposes

of this Contract by giving notice thereof in accordance with this Section.

16. Assignment or Sale by Lender. Property Owner and City agree that Lender may, at its option, assign the Loan, and its rights and obligations under the Loan (including this Contract, the Note and the other Loan Documents). Property Owner, City and Lender acknowledge and agree that there are no limitations on the right of Lender to assign its interests in the Loan.
17. Supremacy. In the event of any conflict, inconsistency or ambiguity between the provisions of this Contract and the provisions of the Loan Agreement, the provisions of this Contract shall control.
18. Compliance with Laws. Lender and Property Owner hereby agree to comply with all applicable federal, state and local lending and disclosure requirements and with the provisions of the Act.
19. Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed a single agreement.
20. Amendment. This Contract may be amended only by a writing signed by Property Owner, Lender and City.
21. Severability. If any one or more of the provisions of this Contract shall be found to be invalid, illegal or unenforceable in any respect of to any extent, such finding shall not affect the validity, legality or enforceability of the remaining provisions of this Contract.
22. Transferability. Property Owner, Lender and City agree that the obligations of this Contract, including without limitation the obligation to pay annual assessments, are covenants that shall run with the land and be obligations that are binding on all future owners of the Property.
23. Effect of Subdivision of Property. No subdivision of the Property subject to this Contract shall be valid unless an amendment to this Contract divides the total Semi-Annual Assessment due between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.
24. Incorporation by Reference. All recitals at the beginning of this Contract and all Exhibits referenced in this Contract shall be incorporated into this Contract by reference.

[Signature Page Follows]

Executed as of the date set forth above.

PROPERTY OWNER

By: _____ Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF NEBRASKA)
) SS.
COUNTY OF _____)

On this ___ day of _____, 20___, before me, the undersigned, a Notary Public, appeared _____, to me personally known, who, being by me duly sworn, did say that s/he is the _____ of the _____, a _____, and that said instrument was signed on behalf of said company by authority of its members, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

(SEAL)

Printed Name: _____
Notary Public in and for said State
Commissioned in _____

My commission expires: _____.

LENDER

By: _____ Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF NEBRASKA)
) SS.
COUNTY OF _____)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public, appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of _____ a limited liability company, and that said instrument was signed on behalf of said company by authority of its members, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

(SEAL)

Printed Name: _____
Notary Public in and for said State
Commissioned in _____

My commission expires: _____.

CITY OF NORTH PLATTE

By: _____ Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF NEBRASKA)
) SS.
COUNTY OF LINCOLN)

On this ___ day of _____, 20 , before me, the undersigned, a Notary Public, appeared _____, to me personally known, who, being by me duly sworn, did say that they are the DISTRICT ADMINISTRATOR for the City of North Platte, a Nebraska Municipality, which created, a clean energy assessment district pursuant to City of North Platte No. 9752, and that this instrument was signed on behalf of said City by authority of its governing body, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

(SEAL)

Printed Name: _____
Notary Public in and for said State
Commissioned in _____

My commission expires: _____.

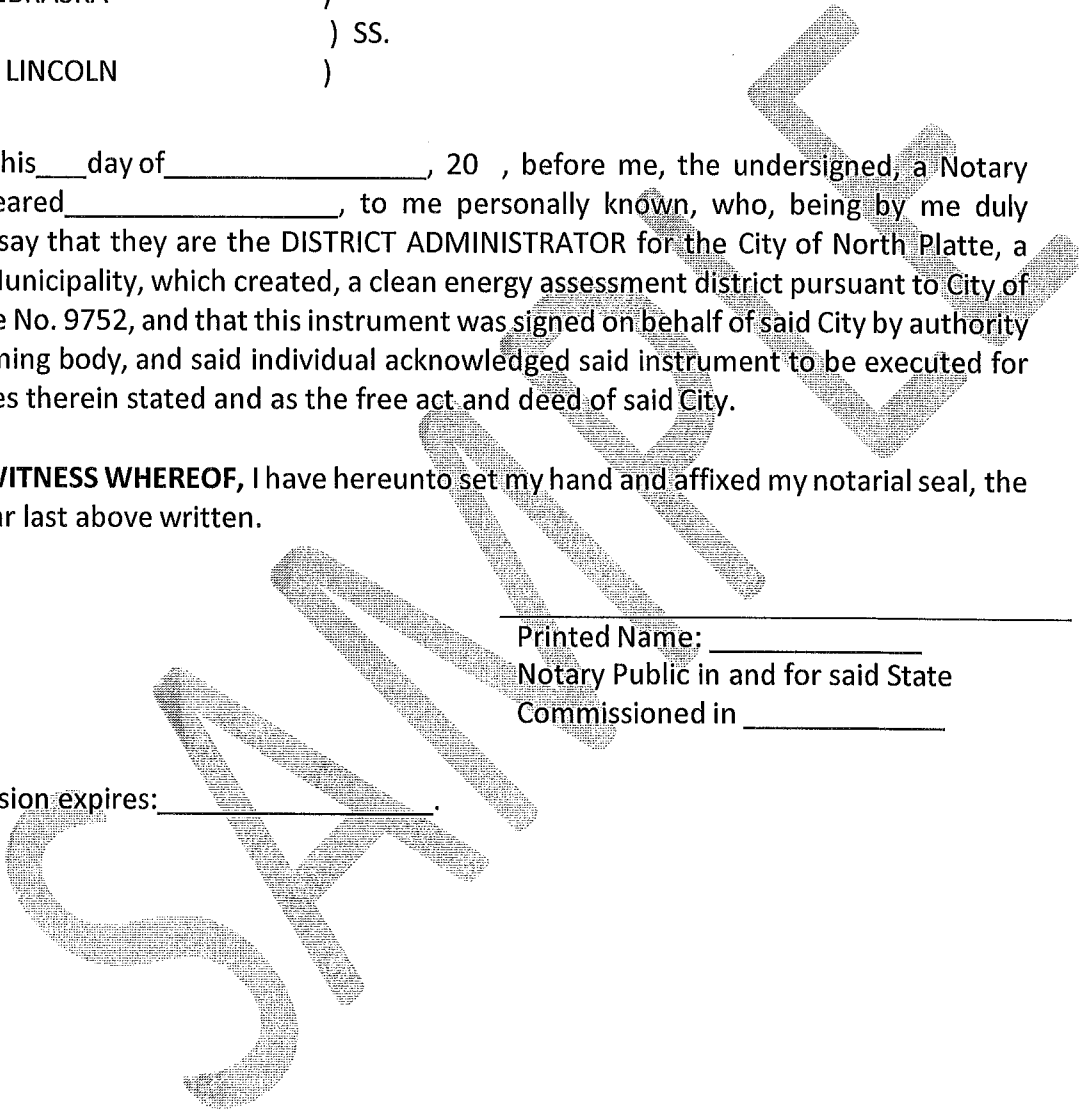


EXHIBIT A

Legal Description of Property

SAMPLE

EXHIBIT B

Description of Project

SAMPLE

EXHIBIT C**SCHEDULE OF SEMI-ANNUAL INSTALLMENTS**

The above Semi-Annual Installments are based on the following assumptions:

1. Interest is calculated on an actual (365 day) year basis, compounded Semi-Annually.
2. There is no Semi-Annual Installment due December 31, 20 . The amount shown above for such date represents capitalized interest.
3. The Lender disburses all Loan proceeds to Property Owner (as defined in the Construction Loan Agreement) on _____, 20 _____. Interest accrues from the date of disbursement at the interest rate described above. Property Owner acknowledges that an amount equal to all interest that shall accrue from the date of disbursement until the date of the anticipated receipt of the initial Semi-Annual Installment by Lender (December 31, 20), shall be disbursed to Lender at Closing.
4. After the initial Semi-Annual Installment, NP-PACE will adjust the PACE Special Assessments and the subsequent Semi-Annual Installments, if necessary, to reflect the actual PACE Special Assessments due pursuant to the Assessment Contract, as certified to NP-PACE by Lender.
5. The above Semi-Annual Installments shown above shall include the County Treasurer Fee.

**EXHIBT D
Lender's Form of Installment
Certification**

Payment Date	Property Tax Key No.	Borrower	Date of PACE Loan	Semi-Annual Installment/Special Charge	Interest Rate for Next Year	Number of Installments Remaining	Outstanding Loan Amount as of date of Installment Certification
12/31/20							
12/31/21							
12/31/22							
12/31/23							
12/31/24							
12/31/25							
12/31/26							
12/31/27							
12/31/28							
12/31/29							
12/31/30							
12/31/31							
12/31/32							
12/31/33							
12/31/34							
12/31/35							
12/31/36							
12/31/37							
12/31/38							
12/31/39							

The undersigned, an authorized representative of the Lender hereby certifies that the information contained in this Installment Certification is true and accurate, and may be relied upon by NP-PACE in connection with those certain Construction Loan Agreements and those certain Assessment Contracts as detailed above.

LENDER:

By: _____
Name: _____
Title: _____
Date: _____

SAMPLE