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STATE OF MICHIGAN
GRAND TRAVERSE COUNTY
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PAGE 1 OF 40

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PACE SPECIAL ASSESSMENT AGREEMENT
(OWNER-ARRANGED FINANCING)

by and among

GRAND TRAVERSE COUNTY, MICHIGAN

and

COMMONGROUNDS LLC

and

COMMONGROUNDS COOPERATIVE

and

HASI OBS OP A LLC

Dated February 26, 2021

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

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**Grand Traverse County PACE Special Assessment Agreement
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**PACE SPECIAL ASSESSMENT AGREEMENT
(OWNER-ARRANGED FINANCING)**

THIS PROPERTY ASSESSED CLEAN ENERGY (“PACE”) SPECIAL ASSESSMENT AGREEMENT (“Agreement”) is made this February 26, 2021, between Grand Traverse County, a Michigan County (the “County”), whose address is 400 Boardman Avenue, Traverse City, Michigan 49684, Commongrounds LLC, a Michigan limited liability company whose address is 425 Boardman Avenue, Suite C, Traverse City, Michigan, 49684 (“Property Owner”), Commongrounds Cooperative, a Michigan non-profit corporation whose address is 425 Boardman Avenue, Suite C, Traverse City, Michigan 49684 (the “Ground Lessee”), and HASI OBS OP A LLC, a Maryland limited liability company (the “Lender, which term shall include any successor or assignee of Lender pursuant to Section 8.02(b) of this Agreement”), whose address is 1906 Towne Centre Boulevard, Suite 370, Annapolis, MD 21401.

RECITALS:

A. Pursuant to Act 270 and a Resolution adopted by the Commission of Grand Traverse County on April 30, 2014 and amended by a Resolution on February 7, 2018 (the “Resolution”), the County has established the PACE Program as described in the PACE Program Report and has created the Special Assessment District under the PACE Program. The PACE Program enables a record owner of property within the Special Assessment District to obtain Owner-Arranged Financing from a commercial lender to defray the costs of one or more Energy Projects on the property.

B. Under Act 270, the County is authorized, pursuant to an agreement with the record owner of property within the Special Assessment District, to impose a special assessment on the property to be benefitted by the Energy Projects in order to secure and provide for the repayment of the Owner-Arranged Financing.

C. The Property Owner has entered into a 99 year lease with Ground Lessee for the property described on attached Appendix B, and as recorded in Memorandum of Ground Lease recorded December 17, 2020, with the Grand Traverse County Register of Deeds, 2020R-24267.

D. The Property Owner and Ground Lessee desire to undertake certain Energy Projects on its commercial property located within the Special Assessment District, as described herein, and has obtained a commitment from the Lender to make the Loan to the Property Owner to defray its cost.

E. In order to induce the Lender to make the Loan to the Property Owner, the Property Owner has requested that the County enter into this Agreement to impose a special assessment on the property to be benefitted by the Energy Projects, in accordance with Act 270, which special assessment will secure and provide for repayment of the Loan from the Lender.

F. Pursuant to Act 270 and the PACE Program, the County is authorized to enter into this Agreement.

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In consideration of the foregoing and the mutual covenants contained in this Agreement, the County, the Property Owner, Ground Lessee, and the Lender agree that:

**ARTICLE I
DEFINITIONS**

Section 1.01 Definitions. Capitalized terms used in this Agreement and Recitals shall have the meanings stated in Act 270 and as stated immediately below, except to the extent the context in which they are used requires otherwise:

(a) **“Act 270”** means Act 270 of the Michigan Public Acts of 2010, commonly referred to as the Property Assessed Clean Energy Act, MCL 460.931 et seq.

(b) **“Agreement”** means this PACE Special Assessment Agreement as same may be amended and/or restated.

(c) **“Applicable Interest Rate”** means the per annum rate of interest specified in the Loan Documents at which the Special Assessment Roll bears interest as calculated by the Lender in accordance with the provisions of Section 4.01 of this Agreement.

(d) **“Authorized Official”** means the County Administrator of Grand Traverse County, or his designee, who is authorized to exercise the authority of an Authorized Official under the terms of the PACE Program Report.

(e) **“Default Rate”** means the rate dictated for counties by the Michigan General Property Tax Act of 1893 as amended (MCL 211.1a and 211.155).

(f) **“Energy Efficiency Improvement”** means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; 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; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; and any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the County.

(g) **“Energy Project”** means the installation or modification of an Energy Efficiency Improvement or the acquisition, installation, or improvement of a Renewable Energy System.

(h) **“Event of Default”** has the meaning set forth in Section 7.01 hereof.

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(i) **“Force Majeure”** means unforeseeable events beyond a party’s reasonable control and without such party’s failure or negligence including, but not limited to, acts of God, acts of public or national enemy, acts of the federal government, fire, flood, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, and delays of contractors due to such causes, but only if the party seeking to claim Force Majeure takes reasonable actions necessary to avoid delays caused thereby.

(j) **“General Property Tax Act”** means the General Property Tax Act, Act 206, Public Acts of Michigan, 1893, as amended.

(k) **“Ground Lessee”** has the meaning set forth in the preamble.

(l) **“Improvements”** means the Energy Efficiency Improvements and the Renewable Energy Improvements being undertaken by the Property Owner on the Special Assessment Parcel as described in Appendix E attached hereto.

(m) **“LAGM”** shall mean Lean & Green Michigan, LLC, a Michigan limited liability company.

(n) **“Lean & Green Michigan™”** means a statewide property assessed clean energy program open to all local units of government operated as a public-private partnership by Levin Energy Partners, LLC, in order to facilitate property assessed clean energy program-financed transactions.

(o) **“Lender”** has the meaning set forth in the preamble.

(p) **“Loan”** means the loan obtained by the Property Owner from the Lender pursuant to Owner-Arranged Financing to defray a portion of the cost of the Improvements under the terms of the Loan Documents.

(q) **“Loan Documents”** means the Clean Energy Financing Agreement, dated as of January 5, 2021, between the Property Owner and the Lender and any and all exhibits or attachments thereto, including any documents amending, restating, replacing, extending or otherwise modifying the Loan Agreement and all documents provided to the Lender from time to time by the Property Owner to evidence or secure the Loan as required pursuant to the terms of the Loan Agreement.

(r) **“Owner-Arranged Financing”** means the process by which a property owner secures financing for improvements to its property that does not involve bonds or any other form of funding provided by the County.

(s) **“PACE Program”** shall mean the Property Assessed Clean Energy Program implemented by the County pursuant to Act 270 and the PACE Program Report to stimulate energy efficiency and renewable energy projects in conformity with Act 270.

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(t) **“PACE Program Report”** means the Lean & Green Michigan™ PACE Program Report approved by the the County Commission on April 30, 2014 and amended on February 7, 2018 , including any amendments or changes thereto made before the date of this agreement.

(u) **“Payment Schedule”** has the meaning set forth in Section 4.01 hereof.

(v) **“Property Owner”** has the meaning set forth in the preamble.

(w) **“Renewable Energy Improvement”** means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer’s side of the meter that use one (1) or more renewable energy resources to generate electricity, gas, or other power. Renewable Energy Improvement includes a biomass stove but does not include an incinerator or digester.

(x) **“Special Assessment”** means the money obligation created pursuant to this Agreement with respect to the Special Assessment Parcel used to repay the Loan made by Lender to Property Owner to defray the cost of the Improvements and which Special Assessment shall, together with all interest, charges, fees and penalties which may accrue thereon (including all interest, charges and penalties accruing under the Loan Documents), be a lien upon the Special Assessment Parcel of the same priority and status as other property tax liens and other assessment liens as provided in Act 270 until such amounts have been paid in full.

(y) **“Special Assessment District”** means the Special Assessment District established as part of the PACE Program pursuant to Act 270.

(z) **“Special Assessment Parcel”** means the property located in the Special Assessment District to which one hundred percent (100%) of the Special Assessment has been spread by the Director of Assessment and Equalization of Grand Traverse County, Michigan (the “County Assessor”) and which is more particularly described on the attached **Appendix B**.

(aa) **“Special Assessment Roll”** has the meaning set forth in Section 4.01 hereof.

**ARTICLE II
DESCRIPTION OF IMPROVEMENTS**

Section 2.01 Description of Improvements. The Improvements to be acquired, constructed, installed and financed by the Property Owner under the PACE Program are described in **Appendix E** attached hereto. If after project approval, the Property Owner seeks to undertake additional Improvements, **Appendix E** may be amended or supplemented from time to time as mutually agreed to in writing by the parties to this Agreement. Such additional Improvements must meet all the eligibility criteria of the PACE Program and the PACE Program Report and may be added to the original application attached hereto as **Appendix F** as a modification, or submitted as a new project, at the discretion of LAGM and the Authorized Official.

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**ARTICLE III
COVENANTS OF THE PROPERTY OWNER**

Section 3.01 Acquisition, Construction and Installation of Improvements.

(a) The Property Owner covenants and agrees to acquire, construct and install the Improvements as described in **Appendix E** on the Special Assessment Parcel described on **Appendix B** in full conformity with all applicable laws and regulations and in compliance with the PACE Program eligibility requirements set forth in **Appendix A**. If the proceeds of the Loan are not sufficient to pay the costs of the Improvements as aforesaid, the Property Owner agrees to complete the Improvements and to pay that portion of the costs of the Improvements in excess of the amount of the Loan. The Property Owner acknowledges and agrees that neither the County nor the Lender makes any representation, either express or implied, that the proceeds of the Loan will be sufficient to pay the total costs of the Improvements, and the Property Owner agrees that if, after exhaustion of the proceeds of the Loan, the Property Owner shall be required to pay any portion of the costs of the Improvements from its own funds, the Property Owner shall not be entitled to any reimbursement therefor from the County or from the Lender, nor shall the Property Owner be entitled to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges, fees or penalties which may accrue thereon.

(b) To provide for monitoring and verification of the Energy Project, the Property Owner has created an Energy Star Portfolio Manager account and has linked this account to the LAGM Energy Star Portfolio Manager account. The Property Owner agrees to enter its electricity bills for the duration of the Agreement on an annual basis. Annual electricity bills for the Special Assessment Parcel will be entered into the Property Owner's Energy Star Portfolio Manager account by January 31 of each year after the year for which the electricity bills are to be entered.

**ARTICLE IV
PACE SPECIAL ASSESSMENT**

Section 4.01 PACE Special Assessment Created.

(a) At the request of the Property Owner, the County hereby determines to assist the Property Owner in obtaining the Loan to defray a portion of the cost of the Improvements on the Special Assessment Parcel only by the levy of the Special Assessment upon the Special Assessment Parcel. The Special Assessment created hereby has been spread by the County Assessor on behalf of the County on the Special Assessment Roll attached hereto as **Appendix C** (the "Special Assessment Roll"), with the consent of the Property Owner, to allocate one hundred percent (100%) of the Special Assessment to the Special Assessment Parcel.

(b) The Special Assessment, as allocated by the Authorized Official with the consent of the Property Owner, is hereby finally established and levied against the Special Assessment Parcel as described on the attached Appendix B in the principal amount of One million Eight hundred Fifty thousand dollars and 00/100 cents (\$1,850,000.00) as stated on the Special Assessment Roll. The Special Assessment is effective immediately upon the execution and delivery of this Agreement by the Property Owner. The Special Assessment shall be paid by the Property Owner in [50] semi-annual installments on the dates and in the amounts set forth in the

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payment schedule attached hereto as Appendix D (the "Payment Schedule"). The unpaid amount of the Special Assessment Roll shall bear interest from the date of execution and delivery of this Agreement at the Applicable Interest Rate, as calculated by the Lender in accordance with the terms of the Loan Documents, payable by the Property Owner semi-annually on each date on which any installment of the Special Assessment is due in accordance with the Payment Schedule. Notwithstanding the foregoing, (i) if any installment of the Special Assessment or any interest due and payable on the Special Assessment Roll is not paid by the Property Owner when and as the same shall become due and payable in accordance with the provisions of this Section 4.01 or (ii) any "event of default" under the Loan Documents has occurred and is continuing, the unpaid amount of the Special Assessment Roll shall bear interest at the Default Rate as calculated by the Lender in accordance with the terms of the Loan Documents (for the avoidance of doubt, the parties agree that nothing herein shall limit the ability of the Lender to charge default interest under the Loan Agreement that is in addition to any interest, fees and penalties owing to the County in the event of a payment default), for as long as such amounts remain unpaid or for so long as such "event of default" under the Loan Documents exists and is continuing. the County, the Property Owner and the Lender agree that the Lender shall be solely responsible for the determination from time to time of the Applicable Interest Rate and the Default Rate and the amount of interest due and payable by the Property Owner on the Special Assessment Roll on each day on which interest thereon is due and payable as provided in this Agreement, and the Lender's determination thereof shall be binding on the Property Owner absent manifest error. The Property Owner and the Lender agree that the County shall under no circumstance have any obligation to determine the Applicable Interest Rate or the Default Rate or to calculate the amount of any interest payment due on the Special Assessment Roll as provided in this Agreement, and the County may conclusively rely upon the Lender's determinations thereof for the purpose of exercising and discharging all of the County's rights and obligations under this Agreement. The Lender agrees to provide, or cause to be provided, notice to the Property Owner and the County of the determinations of the Applicable Interest Rate and the Default Rate, as applicable, pursuant to this Section 4.01(b) at such times, and from time to time, as the Property Owner or the County may request.

(c) The County hereby agrees and acknowledges that the Lender may employ the services of a third party servicer to perform any of the duties or other functions of the Lender relating to the administration of the Special Assessment under Article IV of this Agreement, including without limitation, billing and collectings any installments of the Special Assessments. Notwithstanding the foregoing sentence, the County and the the County Treasurer shall have no liabilities, responsibilities or obligations whatsoever with respect to any third party servicer or any other party employed by Lender to perform any duties or functions of the Lender under this Agreement.

Section 4.02 Assignment of Special Assessment Payments to Lender. At the request of the Property Owner and the Lender, and pursuant to Section 9(g)(iii) of Act 270, the County hereby irrevocably assigns to the Lender its right to receive all installments and prepayments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, and any Payment Default Amount (as defined in Section 4.05(a) herein) actually paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special

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Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement. In pursuance of the foregoing, the County, the Property Owner and the Lender agree that, except as provided in Section 4.05 of this Agreement, (i) all installments of the Special Assessment, whether payable in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable upon the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, shall be paid by the Property Owner directly to the Lender when due at such address in the United States as may be designated by the Lender in writing to the Property Owner and the County; (ii) except as set forth in Section 4.05 below, the County shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the County or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll; and (iii) absent receipt by the County of written notice, with a copy to the County Assessor, from the Lender of a payment default in accordance with Section 4.05 hereof, the County shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Property Owner to the Lender when due as required by the terms of this Agreement.

Section 4.03 Property Owner's Consent to Special Assessment; Waiver.

(a) Provided that the funds are deposited on the closing date into an escrow account pursuant to that certain Disbursement Agreement dated as of even date herewith between Property Owner and Lender, the Property Owner hereby irrevocably consents to and confirms the creation of the Special Assessment Roll and the levy of the Special Assessment established pursuant to this Agreement and EXPRESSLY WAIVES ANY AND ALL CLAIMS CHALLENGING AND DEFENSES TO, THE LEGALITY, VALIDITY, ENFORCEABILITY OR COLLECTABILITY OF THE SPECIAL ASSESSMENT, including, but not limited to, claims arising from, relating to or otherwise based upon any theory of procedural defect concerning the approval of the Improvements, the establishment of the Special Assessment District, confirmation of the Special Assessment Roll and the Payment Schedule, the County's right to place the Special Assessment lien on the Special Assessment Parcel, the collectability and due dates of the Special Assessment installments and interest due and payable on the Special Assessment Roll, or any other theory or claim. The Property Owner further waives notice of hearing and the right to file objections if and to the extent such rights exist under any special assessment ordinance of the County.

(b) The Ground Lessee hereby irrevocably consents to and confirms the creation of the Special Assessment Roll and the levy of the Special Assessment established pursuant to this Agreement and EXPRESSLY WAIVES ANY AND ALL CLAIMS CHALLENGING AND DEFENSES TO, THE LEGALITY, VALIDITY, ENFORCEABILITY OR COLLECTABILITY OF THE SPECIAL ASSESSMENT, including, but not limited to, claims arising from, relating to or otherwise based upon any theory of procedural defect concerning the approval of the Improvements, the establishment of the Special Assessment District, confirmation of the Special Assessment Roll and the Payment Schedule, the County's right to place the Special Assessment lien on the Special Assessment Parcel, the collectability and due dates of the Special Assessment installments and interest due and payable on the Special Assessment Roll, or any other theory or

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claim. The Ground Lessee further waives notice of hearing and the right to file objections if and to the extent such rights exist under any special assessment ordinance of the County.

(c) Following the signing of this Agreement, no suit or action of any kind shall be instituted or maintained for the purpose of contesting or enjoining the collection of the Special Assessment, and the Property Owner, for itself and its successors in interest, lessees, purchasers, and assigns with respect to all or any part of the Special Assessment Parcel, hereby irrevocably waives its rights to contest the Special Assessment with any adjudicative body having jurisdiction over the subject matter, including, but not limited to, the Michigan Tax Tribunal.

(d) In addition to any conditions, covenants, warranties and representations specified in the Loan Documents, the Property Owner shall not sell, transfer, alienate or convey any of its interest in the Special Assessment Parcel without first having given written notice of the Special Assessment to any successors in interest, lessees, purchasers or assigns and having made a copy of this Agreement part of any purchase contract, sale contract, lease agreement, deed or any other conveyancing instrument by which the Property Owner purports to assign all or any part of its interest in the Special Assessment Parcel to any successors in interest, lessees, purchasers, transferees, licensees and assigns. This Agreement shall be recorded against the real property constituting the Special Assessment Parcel by the Lender with the County Register of Deeds and the County Assessor.

(e) The Property Owner agrees that it, its successors and assigns shall, during the term of this Agreement and the Special Assessment, pay all ad valorem real property taxes and assessments levied against the Special Assessment Parcel when due and the Property Owner specifically waives, irrevocably for itself, its successors and assigns as to any and all portions of the Special Assessment Parcel, the right to pay ad valorem real property taxes and assessments on any other installment method which may be available to property owners in the County.

(f) The County agrees that following (i) payment by the Property Owner in full of the Special Assessment, together with all accrued interest on the Special Assessment Roll, and all other interest, charges and penalties which may accrue thereon, and (ii) receipt by the County of written acknowledgment from the Lender that the Special Assessment, together with all accrued interest on the Special Assessment Roll, has been paid to the Lender in full, it will promptly execute and deliver documentation discharging the lien of the Special Assessment on the Special Assessment Parcel. Until the Special Assessment liability has been fully satisfied and the lien discharged, each purchaser of all or any part of the Special Assessment Parcel, as a condition of closing on such purchase, shall execute and deliver to the County and Lender a written notice: (i) acknowledging the principal amount unpaid and outstanding on the Special Assessment; (ii) agreeing to the assumption of the liability to pay the Special Assessment, and any interest thereon, on a timely basis, when due, until the remaining balance and interest on said Special Assessment has been paid in full; (iii) acknowledging that the title insurance policy will state that the Special Assessment has not been paid at time of closing thereon; and (iv) agreeing to pay to the Lender at or prior to the close of the purchase all past due installments of the Special Assessment and all past due payments of interest on the Special Assessment Roll. The representations set forth in such written notice shall be enforceable at law and in equity, including without limitation, by way of specific performance.

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Section 4.04 Lien. The Special Assessment is an obligation with respect to the Special Assessment Parcel, and shall, until paid, be a lien upon the Special Assessment Parcel for the amount of the Special Assessment and all interest, charges and penalties that may accrue thereon. Such lien shall be of the same character and effect as liens created pursuant to the ordinances of the County for County taxes and shall be treated as such with respect to procedures for collection as set forth in the General Property Tax Act and the ordinances of the County, including accrued interest, charges and penalties. The Special Assessment confirmed hereby is a debt to the County from the Property Owner and its successors in interest, lessees, purchasers and assigns. The right of the County to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01, has been irrevocably assigned by the County to the Lender in accordance with the provisions of Section 4.02 of this Agreement. No judgment or decree shall destroy or impair any lien of the County upon the premises assessed for such amount of the Special Assessment as may have been equitably or lawfully charged and assessed thereon. Failure of the Property Owner or any subsequent property owner to receive any notice required to be sent under the provisions of the ordinances of the County or this Agreement shall not invalidate the Special Assessment or the Special Assessment Roll and shall not be a jurisdictional requirement.

Section 4.05 Payment Default.

(a) If any installment of the Special Assessment or interest due on the Special Assessment Roll shall not have been paid by the Property Owner to the Lender, as assignee of the County, at the time and in the amount required by Section 4.01 hereof (a "Payment Default"), the Lender shall, within thirty (30) days following the date such sums were due and payable (the "Payment Default Date"), deliver written notice to the County with a copy to the County Assessor and to the Property Owner stating all of the following: (i) that a Payment Default has occurred under this Agreement; (ii) the Payment Default Date; (iii) the amount of the Special Assessment that was due and payable as of the Payment Default Date and which remains unpaid and the amount of interest on the Special Assessment Roll that was due and payable as of the Payment Default Date and which remains unpaid (collectively, the "Payment Default Amount"); and (iv) an attestation by an authorized officer of the Lender that the statements contained in the foregoing notice are true, correct and complete as of the date of such notice. Notwithstanding the County's receipt of notice (in the manner required by this subsection (a)) of the Property Owner's Payment Default, the Lender may pursue collection efforts against the Property Owner until February 28 (or February 29 in the event of a leap year) subsequent to Property Owner's Payment Default. On March 1 subsequent to the County's receipt of notice (in the manner required by this subsection (a)) of the Payment Default, the Payment Default Amount, shall be certified as delinquent and returned to the County Treasurer, and such Payment Default Amount shall be collected at the same time and in the same manner as is prescribed for the collection of delinquent special assessments under the General Property Tax Act and the ordinances of the County. The County may assess a fee for delinquent taxes, interest, penalties, and fees as provided under General Property Tax Act Section 211.78a. The County Treasurer shall send notices of delinquency to the Property Owner no later than June 1, September 1 and February 1 subsequent to the certification by the County Assessor of the delinquency of the Payment Default Amount as required by Section 211.78b of the General Property Tax Act. Thereafter, the County may pursue a foreclosure action

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against the Special Assessment Parcel for failure to pay such Payment Default Amount in accordance with the County's customary practice and the Michigan General Property Tax Act of 1893 as amended (MCL 211.1 to 211.155) unless otherwise redeemed. Notwithstanding the foregoing provisions of this Section 4.05(a), if such notice of the Lender described in this Section 4.05(a) was not received by the County in sufficient time to permit the Payment Default Amount to be placed for collection on the summer or winter tax bill next succeeding the Payment Default Date, such Payment Default Amount shall be certified for collection on the next summer or winter tax bill issued thereafter. The County shall be entitled to conclusively rely upon any notice of the Lender delivered pursuant to this Section 4.05(a) as to the existence of a Payment Default and as to the Payment Default Amount, and shall not be liable to the Property Owner or to any other person for any action taken by the County pursuant to the terms of this Agreement or otherwise in reliance upon the information contained in such notice. Absent receipt by the County of written notice from the Lender of a Payment Default in accordance with this Section 4.05(a), the County shall be entitled to presume conclusively that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Property Owner to the Lender when due as required by the terms of this Agreement, and in such a case, the County shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the County or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll.

(b) The County hereby agrees that, pursuant to the assignment set forth in Section 4.04, it will cause to be paid over to the Lender all amounts received by the County Treasurer as collections of any Payment Default Amount of the Special Assessment, with the exception of all amounts received by the County for fees for delinquent taxes, special assessments, interest, penalties, and fees due under the Tax Reversion Act including MCL 211.78a, MCL 211.78d, MCL 211.78g and as assessed pursuant to Sec. 4.05(a) above, within forty-five (45) days of the date such sums are received by the County Treasurer. The parties hereto expressly acknowledge and agree that in no event shall the County advance to the Lender the amount of any unpaid Payment Default Amount of the Special Assessment, and the County shall be obligated to pay over to the Lender only such sums as are actually received by the County Treasurer as collections of any Payment Default Amount of the Special Assessment.

(c) In the event that any interest, penalties, fees or other charges shall be imposed upon the Special Assessment Parcel or against the Special Assessment Roll or the amount of any unpaid Special Assessment pursuant to the ordinances of the County or the General Property Tax Act, either by Traverse City or by the County, for the administration, billing, collection or enforcement of the Special Assessment created hereby, such amounts shall remain a debt of the Property Owner to Traverse City or the the County Treasurer, as their interests may appear, and shall not be deemed to have been assigned to the Lender pursuant to the terms of this Agreement or otherwise.

Section 4.06 Prepayment of Special Assessment. Subject to the provisions of the Loan Documents, including, without limitation, prepayment penalties, if any, the Property Owner may, upon sixty (60) days' prior written notice to the Lender and the County, prepay any installment of the Special Assessment specified in the Payment Schedule by causing to be paid to the Lender the amount of the installment to be prepaid, together with accrued interest thereon to the date of

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prepayment. If such prepayment of any installment is not received by the Lender on the date specified for prepayment, the Lender shall promptly deliver written notice to the County and the County Assessor that such prepayment was not received by the Lender.

Section 4.07 Invalidity; Cure. In the event of any invalidity of the Special Assessment, the Authorized Official, at the request of the Lender, and if the County shall have received indemnity satisfactory to the Authorized Official for its costs and expenses (including reasonable attorneys' fees), shall cause a new Special Assessment to be made for all or any part of the Improvements in accordance with Act 270 and the PACE Program as reasonably determined by the Authorized Official, and the Property Owner, on behalf of itself and its successors in interest, lessees, purchasers, and assigns, hereby waives any objections to and agrees to the imposition of such new Special Assessment; *provided, however*, that the amount of the new Special Assessment shall not exceed the unpaid principal amount of the Loan at the time the new Special Assessment shall be established.

Section 4.08 Grand Traverse County or Grand Traverse County Treasurer Becoming Owner of the Special Assessment Parcel. In the event that the County or the County Treasurer takes ownership of the Special Assessment Parcel by operation of law, the County or the County Treasurer and the Lender agree that the lien on the Special Assessment Parcel will remain in full force and effect, and all principal, interest, penalties, fees, and other charges, either based on Michigan Compiled Laws or the Loan Documents will continue to accrue during the period of time that the County or the County Treasurer owns the Special Assessment Parcel. No loan or special assessment payments, including interest, penalties, fees or other charges, are required to be paid or will be accrued by the County or the County Treasurer to the Lender. Any and all principal, interest, penalties, fees, and other charges which accrue during the period by which the County or the County Treasurer own the Special Assessment Parcel will, in the sole and unlimited discretion of the Lender, either be: (1) considered immediately due and payable by any person or entity who purchases the Special Assessment Parcel from the County or the County Treasurer, and no sale or transfer of the Special Assessment Parcel is valid unless and until all principal, interest, penalties, fees, and other charges have been paid by the subsequent owner of the Special Assessment Parcel; or (2) capitalized into the outstanding principal balance of the Special Assessment, causing the Lender to provide a revised Payment Schedule in an amount necessary to amortize the new outstanding principal balance of the Special Assessment over the remaining number of payments. The lien created by the Special Assessment shall not be extinguished or released until all necessary principal and interest payments, as well as all penalties, fees, and other charges, as determined solely by Lender, have been paid and received by Lender.

**ARTICLE V
CONDITIONS PRECEDENT**

Section 5.01 Conditions Precedent to the County's Obligations.

The obligations of the County under this Agreement shall be subject to the satisfaction of the following conditions precedent on or prior to the date of execution and delivery of this Agreement by the County, unless waived in writing by the County:

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

(a) The County, the Property Owner, the Ground Lessee, and the Lender shall have authorized, executed and delivered this Agreement and all approvals required hereby shall have been secured.

(b) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Property Owner, Ground Lessee, or the County is a party, or shall be threatened in writing against the Property Owner, Ground Lessee, or the County, contesting the validity or binding effect of this Agreement, the Special Assessment or the Owner-Arranged Financing contemplated hereby, or which, if adversely decided, could have a material adverse effect upon the ability of the Property Owner to pay or the County to levy the Special Assessment or to assign to the Lender the right to receive payments of the Special Assessment, or which could have a material adverse effect on the ability of the Property Owner, Ground Lessee, or the County to comply with any of the obligations and terms of this Agreement.

(c) There shall be no ongoing breach of any of the covenants and agreements of the Property Owner required to have been observed or performed by the Property Owner under the terms of this Agreement and no Event of Default by the Property Owner, and no event which, with the passage of time or the giving of notice or both could become an Event of Default by the Property Owner under this Agreement, shall have occurred.

(d) All documents, schedules, materials, maps, plans, descriptions and related matters which are contemplated to be made Appendices to this Agreement shall have been fully completed by the Property Owner to the County's reasonable satisfaction and such Appendices shall be true, accurate and complete.

(e) The Property Owner shall meet all eligibility requirements as set forth in **Appendix A**.

(f) The Property Owner, Ground Lessee, and the Lender shall have authorized, executed and delivered the Loan Documents, and the Lender shall have funded the Loan in accordance with the terms of the Loan Documents.

(g) The Property Owner shall not have filed for bankruptcy or sought the protections of any state or federal insolvency law providing protections to debtors.

(h) The Property Owner shall have obtained consent from each holder of a mortgage interest upon the Special Assessment Parcel prior to the execution and delivery of this Agreement in substantially the form set forth in the PACE Program Report.

**ARTICLE VI
REPRESENTATIONS AND WARRANTIES**

Section 6.01 Representations and Warranties of the County.

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

The County represents and warrants to the Property Owner, the Ground Lessee, and the Lender that:

(a) The execution and delivery of this Agreement has been duly authorized by Grand Traverse County, and this Agreement complies with Act 270 and constitutes a valid and binding agreement of Grand Traverse County, enforceable against Grand Traverse County in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principals of equity, including those relating to equitable subordination.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated herein is in violation of any provision of any existing law, ordinance, rule, resolution or regulation to which is known by Grand Traverse County's Authorized Official.

(c) As of the Effective Date, there are no delinquent taxes, special assessments, or water or sewer charges on the Special Assessment Parcel that will be assessed under this Agreement; and there are no delinquent assessments on the Special Assessment Parcel under a PACE program.

Section 6.02 Representations and Warranties of the Property Owner.

The Property Owner represents and warrants to the County, the Ground Lessee, and the Lender that:

(a) The Property Owner is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Michigan, with power under the laws of the State of Michigan to carry on its business as now being conducted, and is duly qualified to do business in the State of Michigan; and the Property Owner has the power and authority to own the Special Assessment Parcel and to carry out its obligation to complete the Improvements.

(b) The execution and delivery of this Agreement will not result in a violation or default by the Property Owner of any provision of its Articles of Organization or Operating Agreement, or under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject.

(c) The Property Owner is the sole and exclusive legal and equitable title owner of fee simple title to the Special Assessment Parcel and the Improvements located, or to be located, thereon and has full legal power and authority to consent to the finalization and levying of the Special Assessment as provided herein.

(d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action, and this Agreement has been duly executed and delivered by the Property Owner and constitutes a valid and binding agreement enforceable against the Property Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

(e) The Property Owner warrants and agrees that any contractual, legal or other disputes between it and the Lender -- other than matters specifically related to enforcement of property tax obligations -- or contractor involved in the PACE project do not involve the County, and Property Owner agrees to hold the County, its employees and agents, including but not limited to LAGM, harmless in any such disputes or causes of action.

(f) The Property Owner warrants and agrees that any contractual, legal or other disputes between it and the contractor involved in the Improvements do not involve the Lender, and Property Owner agrees to hold the Lender and its agents harmless from any such disputes or causes of action.

(g) The Property Owner, the Special Assessment Parcel and the Improvements satisfy all of the PACE Program eligibility and program requirements set forth in **Appendix A**.

Section 6.03 Representations and Warranties of the Ground Lessee.

The Ground Lessee represents and warrants to the County, the Property Owner, and the Lender that:

(a) The Ground Lessee is duly organized and validly existing as a non-profit corporation in good standing under the laws of the State of Michigan, with power under the laws of the State of Michigan to carry on its business as now being conducted, and is duly qualified to do business in the State of Michigan.

(b) The execution and delivery of this Agreement will not result in a violation or default by the Ground Lessee of any provision of its Articles of Incorporation or corporate by-laws, or under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject.

(c) The Ground Lessee warrants and agrees that any contractual, legal or other disputes between it and the Property Owner -- other than matters specifically related to enforcement of property tax obligations -- or contractor involved in the PACE project do not involve the County, and Ground Lessee agrees to hold the County, its employees and agents, including but not limited to LAGM, harmless in any such disputes or causes of action.

(d) The Ground Lessee warrants and agrees that any contractual, legal or other disputes between it and the contractor involved in the Improvements do not involve the Lender, and Ground Lessee agrees to hold the Lender and its agents harmless from any such disputes or causes of action.

Section 6.04 Representations and Warranties of the Lender.

The Lender represents and warrants to the County that:

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

(a) The Lender has experience in the market for property assessed clean energy programs and assessments and is capable of evaluating the merits and risks of its participation in the Owner-Arranged Financing contemplated by this Agreement.

(b) The Lender has made its own independent investigation of the Property Owner, the terms of this Agreement, the nature of the Special Assessment created hereby and the procedures for the collection and enforcement of the Special Assessment under this Agreement and the laws of the State of Michigan, and is not relying on the County, its agents, attorneys or employees for any of such information or with respect to the sufficiency and scope of such investigation. The Lender has not received, and is not relying on, and representations of the County with respect to the Property Owner.

**ARTICLE VII
DEFAULT**

Section 7.01 Property Owner Event of Default. If the Property Owner shall default in the performance of any covenant or agreement on its part contained in this Agreement and such default shall continue for a period of ten (10) days after written notice thereof has been given to the Property Owner by the County, an "Event of Default" shall be deemed to have occurred under this Agreement, provided, however, that the Property Owner's failure to pay any Payment Default amount when due shall be an Event of Default without opportunity to cure as provided in this Section 7.01.

Section 7.02 Remedies for Property Owner Event of Default. Upon the occurrence of an Event of Default as provided in Section 7.01 hereof, the County, after giving written notice as required, without further notice of any kind, and in addition to all other rights and remedies provided at law or in equity, shall be entitled to seek and obtain a decree of specific performance of this Agreement from a court of competent jurisdiction; or the right to recover from the Property Owner any damages incurred by the County and any costs incurred by the County in enforcing or attempting to enforce this Agreement or the Special Assessment, including attorneys' fees and expenses; or the County Treasurer shall foreclose on the Special Assessment Parcel and sell the Special Assessment Parcel to the extent necessary to recover all outstanding damages and costs in accordance with the Michigan General Property Tax Act of 1893 as amended (MCL 211.1a and 211.155); or any combination of the foregoing. The Lender acknowledges that neither the Special Assessment nor any installment thereon can be accelerated. .

Section 7.03 Grand Traverse County Default. If the County shall default in the performance of any covenant or agreement on its part contained in this Agreement and shall fail to proceed in good faith to cure such default within sixty (60) days after written notice thereof has been received by the County from the Property Owner or the Lender, a "County Default" shall be deemed to have occurred under this Agreement.

Section 7.04 Remedy for County Default. Upon the occurrence of a County Default as provided in Section 7.03 hereof, and if the Property Owner or the Lender, as the case may be, shall have otherwise fully performed all of its obligations hereunder, the Property Owner or the Lender, after giving written notice as required, without further notice or demand, shall be entitled to seek and obtain a decree of specific performance from a court of competent jurisdiction; but neither the

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

Property Owner nor the Lender shall have the right to seek to recover money damages against the County, including any costs or fees (including attorneys' fees) incurred by the Property Owner or the Lender in enforcing or attempting to enforce this Agreement. Neither the occurrence of a County Default nor the institution of any proceeding or the exercise of any remedy upon the occurrence of a County Default shall negate or diminish the obligations of the Property Owner hereunder to pay the installments of the Special Assessment and interest accrued on the Special Assessment Roll and all other costs hereunder when the same shall become due and payable.

Section 7.05 Indemnification of the County. Except for claims arising from the County's gross negligence, the Lender and Property Owner agree to indemnify, defend and save harmless the County against, and from any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses (including, without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed upon, incurred by or asserted against the County because of any of the following:

A. Any negligent or tortious act, error, or omission held in a court of competent jurisdiction to be attributable, in whole or in part to the Lender or Property Owner, or any of its personnel, employees, consultants, agents, or any entities associated, affiliated, (directly or indirectly) or subsidiary to the Lender or Property Owner now existing, or to be created, their agents and employees for whose acts any of them might be liable.

B. Any failure by the Lender or Property Owner, or any of its employees to perform its obligations either implied or expressed under this Agreement.

Nothing in this article shall be deemed to relieve the Lender and Property Owner of their duties to defend the County, as specified, pending a determination of the respective liabilities of the Lender and Property Owner, by legal proceeding or agreement. The County shall cooperate with the Lender and Property Owner in the defense against the suit. In no event shall the Lender or Property Owner make any admission of guilt or liability on behalf of the County without the County's prior, written consent.

For purposes of these provisions, the term "County" includes the County of Grand Traverse and all other associated, affiliated, or subsidiary departments or divisions now existing or to be created, their Commissioners, Department Heads, agents and employees.

This indemnity shall not be construed as a waiver of any governmental immunity the County, its agencies, or employees, has as provided by statute or modified by court decisions.

Section 7.06 Waiver. Failure of any party hereunder to act upon discovery of a default or to act upon the existence of an Event of Default shall not constitute a waiver of the right to pursue the remedies provided herein.

**ARTICLE VIII
MISCELLANEOUS**

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

Section 8.01 Term. Except as otherwise provided in this Agreement, the term of this Agreement shall commence on the date first written above and shall terminate at such time as the Special Assessment liability shall have been fully satisfied as provided in Section 4.03(e) hereof.

Section 8.02 Assignment.

(a) Except as otherwise provided herein and as provided in Section 8.02(b) hereof, no party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of the other parties hereto.

(b) The Lender and its successors and assigns may assign its rights and obligations under this Agreement and its rights in the Special Assessment, in whole but not in part; *provided, however,* that any such assignment shall be made only in accordance with applicable law; *and provided further, however,* that no such assignment shall be effective unless the County shall have first received (i) notice of the assignment disclosing the name and the address of the assignee, which shall be an address in the United States and (ii) a Certificate of Assignment executed by the assignee in the form attached to this Agreement as **Appendix G**. From and after the date of satisfaction of the conditions for the assignment of this Agreement as provided in this Section 8.02(b), the assignee of the Lender shall be a party hereto and shall have the rights and obligations of the Lender specified hereunder, and such assignee shall be deemed to be the “Lender” for all purposes of this Agreement.

Section 8.03 Notices. All notices, certificates or communications required by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows, or to such other address as such party may specify by written notice to the other parties hereto:

If to The County:	Grand Traverse County 400 Boardman Avenue Traverse City, Michigan 48226 Attn: County Administrator
With a copy to:	Grand Traverse County Program Administrator Lean & Green Michigan 3400 Russell Street, Suite 255 Detroit, Michigan 48207
If to the Property Owner:	Commongrounds LLC Attn: Kate Redman 425 Boardman Avenue, Suite C, Traverse City, Michigan 49684
With a copy to:	Counterpointe Energy Services LLC 2600 Maitland Center Parkway, Suite 163

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

Maitland, Florida 32751

With a copy to:	Grand Traverse County Program Administrator Lean & Green Michigan 3400 Russell Street, Suite 255 Detroit, Michigan 48207
If to the Ground Lessee:	Commongrounds Cooperative 425 Boardman Avenue, Suite C Traverse City, Michigan 49684
With a copy to:	Counterpointe Energy Services LLC 2600 Maitland Center Parkway, Suite 163 Maitland, Florida 32751
With a copy to:	Grand Traverse County Program Administrator Lean & Green Michigan 3400 Russell Street, Suite 255 Detroit, Michigan 48207
If to the Lender:	HASI OBS OP A LLC 1906 Towne Centre Blv., Ste. 370 Annapolis, MD 21401
With a copy to:	Grand Traverse County PACE Program Administrator Lean & Green Michigan 3400 Russell Street, Suite 255 Detroit, Michigan 48207

Section 8.04 Amendment and Waiver. No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by each party hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 8.05 Entire Agreement. This Agreement and the other Loan Documents (to the extent the County is a party thereto) constitutes the entire agreement between the parties hereto. There are no representations, warranties, promises, agreements or understandings, oral, written or implied, between the parties except as provided for in this Agreement and other Loan Documents (to the extent the County is a party). No rights or remedies are, or will be acquired by any party against the County by implication or otherwise unless set forth in this Agreement or other Loan Documents (to the extent the County is a party).

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

Section 8.06 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 8.07 Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 8.08 Applicable Law; Venue. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan. All parties consent to the personal jurisdiction of any competent court in Grand Traverse County, Michigan, for any action arising out of this Agreement. Parties agree that they will not commence any action against the County because of any matter arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement, in any courts other than those in Grand Traverse County, State of Michigan unless original jurisdiction is in the United States District Court for the Western District of Michigan, Southern Division, the Michigan Supreme Court or the Michigan Court of Appeals.

Section 8.09 Mutual Cooperation. Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement. Each party to this Agreement shall exercise reasonable diligence in reviewing, approving, executing and delivering all documents necessary to accomplish the purposes and intent of this Agreement. Each party to this Agreement also shall use its best efforts to assist the other parties to this Agreement in the discharge of its obligations hereunder and to assure that all conditions precedent to the financing arrangements are satisfied.

Section 8.010 Binding Effect; No Third-Party Beneficiary. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns. In no event shall the provisions of this Agreement be deemed to inure to the benefit of or be enforceable by any third party, except for permitted assigns.

Section 8.011 Force Majeure. No party hereto shall be liable for the failure to perform its obligations hereunder if said failure to perform is due to Force Majeure. Said failure to perform shall be excused only for the period during which the event giving rise to said failure to perform exists; provided, however, that the party seeking to take advantage of this Section shall notify the other party in writing, setting forth the event giving rise to said failure to perform, within ten (10) business days after the occurrence of said event.

Section 8.012 Insurance. Each party must maintain, at its expense, insurance covering its own respective employees, agents, or representatives for professional liability, workers' compensation, comprehensive automobile liability, and comprehensive general liability sufficient to protect the public, the parties, and all parties at interest. The parties will submit evidence of insurance to satisfy this requirement, if requested by the County.

Section 8.013 Merger. This document, including the Appendices, contains the entire agreement between the parties and all prior negotiations and agreements are merged in this

Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02

document. Parties have not made any representations except those expressly set forth. No rights or remedies are, or will be acquired by any of the parties by implication or otherwise unless set forth.

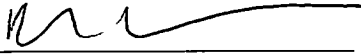
Section 8.014 Severability. If any provision of this agreement or the application to any person or circumstance is, determined to be invalid or unenforceable by means of law, the remainder of the agreement will remain in full force and effect.

[SIGNATURES ON THE FOLLOWING PAGE]

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

IN WITNESS WHEREOF, Grand Traverse County, Commongrounds LLC, Commongrounds Cooperative, and HASI OBS OP A LLC have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

COMMONGROUNDS LLC

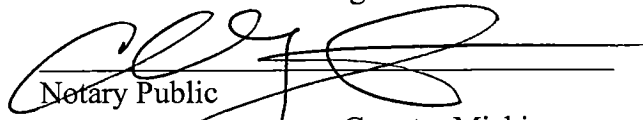


By: Kate Redman

Its: Authorized Signatory

State of Michigan)
) ss
County of Grand Traverse)

The foregoing instrument was acknowledged before me this 26th day of February, 2021^{cal}, by Kate Redman, Authorized of Commongrounds LLC on behalf Commongrounds LLC.
Signatory



Notary Public

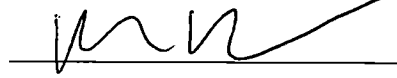
County, Michigan
My commission expires _____

CHRISTOPHER A. LAMBERT, NOTARY PUBLIC
GRAND TRAVERSE COUNTY, MICHIGAN
ACTING IN GRAND TRAVERSE COUNTY
MY COMMISSION EXPIRES: OCTOBER 22, 2026

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

IN WITNESS WHEREOF, Grand Traverse County, Commongrounds LLC, Commongrounds Cooperative, and HASI OBS OP A LLC have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

COMMONGROUNDS COOPERATIVE

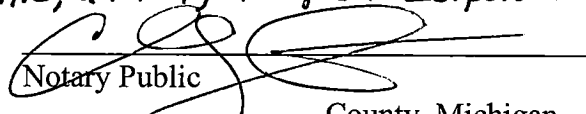


By: Kate Redman

Its: Authorized Signatory

State of Michigan)
) ss
County of Grand Traverse)

The foregoing instrument was acknowledged before me this 26th day of February, ²⁰²¹~~2020~~, by Kate Redman, Authorized Signatory of Commongrounds Cooperative, a Michigan nonprofit corporation, on behalf of said corporation. *ca*
ca



Notary Public

County, Michigan
My commission expires _____

CHRISTOPHER A. LAMBERT, NOTARY PUBLIC
GRAND TRAVERSE COUNTY, MICHIGAN
ACTING IN GRAND TRAVERSE COUNTY
MY COMMISSION EXPIRES: OCTOBER 22, 2026

Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02

IN WITNESS WHEREOF, Grand Traverse County, Commongrounds LLC,
Commongrounds Cooperative, and HASI OBS OP A LLC have caused this PACE Special
Assessment Agreement to be duly executed and delivered as of the date first written above.

HASI OBS OP A LLC

By: Jeffrey W. Eckel

Its: President

State of Maryland)
) ss
County of Anne Arundel)

The foregoing instrument was acknowledged before me this 13 day of January, ²⁰²¹~~2020~~, by Jeffrey
W. Eckel, President of HASI OBS OP A LLC, on behalf of HASI OBS OP A LLC.

Polly Ortlieb
Notary Public
Anne Arundel County, Maryland
My commission expires May 6, 2022

POLLY ORTLIEB
Notary Public-Maryland
Anne Arundel County
My Commission Expires
May 06, 2022

Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02

IN WITNESS WHEREOF, Grand Traverse County, Commongrounds LLC, Commongrounds Cooperative, and HASI OBS OP A LLC have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

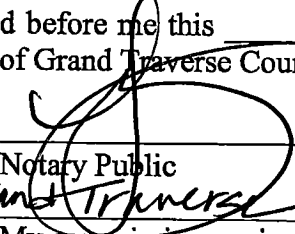
Grand Traverse County

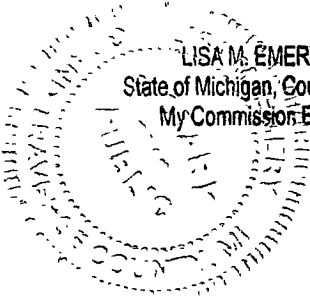

By: Nate Alger

Its: County Administrator

State of Michigan)
) ss
County of Grand Traverse)

The foregoing instrument was acknowledged before me this 1st March day of ~~February~~ 2021, by Nate Alger, County Administrator on behalf of Grand Traverse County.


Notary Public
Grand Traverse County, Michigan
My commission expires 9-6-24


LISA M. EMERY, Notary Public
State of Michigan, County of Grand Traverse
My Commission Expires 09/06/2024

Document prepared by:
Todd M. Williams, Esq.
Lean & Green Michigan, LLC
3400 Russell Street, Ste 255
Detroit, MI 48207
(313) 444-1474
todd@leanandgreenmi.com

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

APPENDIX A

PROGRAM ELIGIBILITY CHECKLIST

Property is privately owned commercial or industrial real property within the County's jurisdictional boundaries, which may be owned by any individual or private entity, whether for-profit or non-profit. MCL 460.933(g). Multi-family residential property is included in the definition of commercial property.

There are no delinquent taxes, special assessments, or water or sewer charges on the property. The Authorized Official at his discretion may disqualify properties that although not currently delinquent, have been delinquent within six months of the application's submission. MCL 460.941(2)(a).

There are no delinquent assessments on the property under a PACE program. MCL 460.941(2)(b).

The term of assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years. Projects that consist of multiple energy efficiency improvements or renewable energy systems with varying lengths of useful life may blend the lengths to determine an overall assessment term that does not exceed the useful life of the improvements in aggregate. MCL 460.939(i).

An appropriate ratio must be determined for the amount of assessment in relation to the assessed value of the property. MCL 460.939(j).

Written consent from the mortgage holder must be obtained if the property is subject to a mortgage. MCL 460.939(k).

A baseline energy audit must be conducted for the property that is approved by LAGM. Such approval may be granted retroactively if the audit meets the standards of LAGM. MCL 460.939(o).

For projects financed for more than \$250,000, a performance guarantee must be provided by the contractor(s) to guarantee a savings to investment ratio greater than one (1). MCL 460.939(p). The performance guarantee must meet the standards set by LAGM.

For projects financed for more than \$250,000, financial and logistical arrangements for ongoing measurement and verification of energy savings that meet standards set by LAGM. MCL 460.939(p).

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

APPENDIX B

SPECIAL ASSESSMENT PARCEL DESCRIPTION

Parcel Number: 28-51-110-001-02

Address: 414 E. Eighth Street, Traverse City, Michigan 49686

LEGAL DESCRIPTION:

LOT 3 AND PART OF LOT 2 OF THE PLAT OF HANNAH, LAY & CO'S EIGHTH ADDITION TO TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 3; THENCE N90° 00' 00"W ALONG THE SOUTH PLATTED RIGHT OF WAY OF 8TH STREET, 114.41 FEET; THENCE S00° 00' 00"E, 137.39 FEET TO A POINT 10 FEET NORTHERLY FROM THE SHORE OF BOARDMAN LAKE; THENCE S76° 31' 18"E PARALLEL TO AND 10 FEET NORTHERLY OF THE SHORE, 20.02 FEET; THENCE S68° 57' 09"E PARALLEL TO AND 10 FEET NORTHERLY OF THE SHORE, 29.85 FEET; THENCE S65° 16' 53"E PARALLEL TO AND 10 FEET NORTHERLY OF THE SHORE, 39.55 FEET; THENCE S48° 19' 44"E PARALLEL TO AND 10 FEET NORTHERLY OF THE SHORE, 39.95 FEET TO THE SOUTHEAST CORNER OF LOT 3; THENCE N00° 22' 57"E ALONG THE EAST LINE OF LOT 3, 195.88 FEET TO THE POINT OF BEGINNING.

SUBJECT TO AND TOGETHER WITH AN INGRESS AND EGRESS EASEMENT IN PART OF LOT 2 OF THE PLAT OF HANNAH, LAY & CO'S EIGHTH ADDITION TO TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 3 OF THE PLAT OF HANNAH, LAY & CO'S EIGHTH ADDITION TO TRAVERSE CITY; THENCE N90° 00' 00"W ALONG THE SOUTH RIGHT OF WAY OF 8TH STREET, 103.41 FEET TO THE POINT OF BEGINNING; THENCE S00° 00' 00"E, 118.00 FEET; THENCE N90° 00' 00"W, 11.00 FEET; THENCE S00° 00' 00"E, 10.82 FEET; THENCE N45° 27' 45"W, 15.43 FEET; THENCE N00° 00' 00"E, 118.00 FEET TO THE SOUTH RIGHT OF WAY OF 8TH STREET; THENCE N90° 00' 00"E ALONG THE SOUTH RIGHT OF WAY OF 8TH STREET, 22.00 FEET TO THE POINT OF BEGINNING.

Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02

APPENDIX C

SPECIAL ASSESSMENT ROLL

PACE Special Assessment

Parcel Number: 28-51-110-001-02

Address: 414 E. Eighth Street, Traverse City, Michigan 49686

City: Traverse City

Owner: Commongrounds LLC

Assessment: \$1,850,000.00

Percent: 100%

I certify that the above is the Special Assessment Roll created for the PACE project referenced in this Agreement in the applicable county, township, city, village, or applicable entity, in the State of Michigan, subject to payment of Special Assessment as outlined in Appendix D of this Agreement.

By: James S. Baker
Title: Director of Assessment and Equalization, Grand Traverse County, Michigan

Dated 2/25/2021

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

APPENDIX D

PAYMENT SCHEDULE

Tax Year	Balance	Interest Payment	Principal Payment	Total Payment	LAGM Annual Fee	Agent Fee	Total Payment
	\$ 1,850,000.00						
6/2/2022	\$ 1,833,108.09	\$ 53,650.00	\$ 16,891.91	\$ 70,541.91	\$ 2,312.50	\$ 225.00	\$ 73,079.41
12/2/2022	\$ 1,815,726.31	\$ 53,160.13	\$ 17,381.78	\$ 70,541.91	\$ 2,291.39	\$ 225.00	\$ 73,058.30
6/2/2023	\$ 1,797,840.46	\$ 52,656.06	\$ 17,885.85	\$ 70,541.91	\$ 2,269.66	\$ 225.00	\$ 73,036.57
12/2/2023	\$ 1,779,435.92	\$ 52,137.37	\$ 18,404.54	\$ 70,541.91	\$ 2,247.30	\$ 225.00	\$ 73,014.21
6/2/2024	\$ 1,760,497.65	\$ 51,603.64	\$ 18,938.27	\$ 70,541.91	\$ 2,224.29	\$ 225.00	\$ 72,991.20
12/2/2024	\$ 1,741,010.17	\$ 51,054.43	\$ 19,487.48	\$ 70,541.91	\$ 2,200.62	\$ 225.00	\$ 72,967.53
6/2/2025	\$ 1,720,957.55	\$ 50,489.29	\$ 20,052.62	\$ 70,541.91	\$ 2,176.26	\$ 225.00	\$ 72,943.17
12/2/2025	\$ 1,700,323.41	\$ 49,907.77	\$ 20,634.14	\$ 70,541.91	\$ 2,151.20	\$ 225.00	\$ 72,918.11
6/2/2026	\$ 1,679,090.88	\$ 49,309.38	\$ 21,232.53	\$ 70,541.91	\$ 2,125.40	\$ 225.00	\$ 72,892.31
12/2/2026	\$ 1,657,242.61	\$ 48,693.64	\$ 21,848.27	\$ 70,541.91	\$ 2,098.86	\$ 225.00	\$ 72,865.77
6/2/2027	\$ 1,634,760.74	\$ 48,060.04	\$ 22,481.87	\$ 70,541.91	\$ 2,071.55	\$ 225.00	\$ 72,838.46
12/2/2027	\$ 1,611,626.89	\$ 47,408.06	\$ 23,133.85	\$ 70,541.91	\$ 2,043.45	\$ 225.00	\$ 72,810.36
6/2/2028	\$ 1,587,822.16	\$ 46,737.18	\$ 23,804.73	\$ 70,541.91	\$ 2,014.53	\$ 225.00	\$ 72,781.44
12/2/2028	\$ 1,563,327.09	\$ 46,046.84	\$ 24,495.07	\$ 70,541.91	\$ 1,984.78	\$ 225.00	\$ 72,751.69
6/2/2029	\$ 1,538,121.67	\$ 45,336.49	\$ 25,205.42	\$ 70,541.91	\$ 1,954.16	\$ 225.00	\$ 72,721.07
12/2/2029	\$ 1,512,185.29	\$ 44,605.53	\$ 25,936.38	\$ 70,541.91	\$ 1,922.65	\$ 225.00	\$ 72,689.56
6/2/2030	\$ 1,485,496.75	\$ 43,853.37	\$ 26,688.54	\$ 70,541.91	\$ 1,890.23	\$ 225.00	\$ 72,657.14
12/2/2030	\$ 1,458,034.25	\$ 43,079.41	\$ 27,462.50	\$ 70,541.91	\$ 1,856.87	\$ 225.00	\$ 72,623.78
6/2/2031	\$ 1,429,775.33	\$ 42,282.99	\$ 28,258.92	\$ 70,541.91	\$ 1,822.54	\$ 225.00	\$ 72,589.45
12/2/2031	\$ 1,400,696.90	\$ 41,463.48	\$ 29,078.43	\$ 70,541.91	\$ 1,787.22	\$ 225.00	\$ 72,554.13
6/2/2032	\$ 1,370,775.20	\$ 40,620.21	\$ 29,921.70	\$ 70,541.91	\$ 1,750.87	\$ 225.00	\$ 72,517.78
12/2/2032	\$ 1,339,985.77	\$ 39,752.48	\$ 30,789.43	\$ 70,541.91	\$ 1,713.47	\$ 225.00	\$ 72,480.38
6/2/2033	\$ 1,308,303.45	\$ 38,859.59	\$ 31,682.32	\$ 70,541.91	\$ 1,674.98	\$ 225.00	\$ 72,441.89
12/2/2033	\$ 1,275,702.34	\$ 37,940.80	\$ 32,601.11	\$ 70,541.91	\$ 1,635.38	\$ 225.00	\$ 72,402.29
6/2/2034	\$ 1,242,155.80	\$ 36,995.37	\$ 33,546.54	\$ 70,541.91	\$ 1,594.63	\$ 225.00	\$ 72,361.54
12/2/2034	\$ 1,207,636.41	\$ 36,022.52	\$ 34,519.39	\$ 70,541.91	\$ 1,552.69	\$ 225.00	\$ 72,319.60
6/2/2035	\$ 1,172,115.96	\$ 35,021.46	\$ 35,520.45	\$ 70,541.91	\$ 1,509.55	\$ 225.00	\$ 72,276.46
12/2/2035	\$ 1,135,565.41	\$ 33,991.36	\$ 36,550.55	\$ 70,541.91	\$ 1,465.14	\$ 225.00	\$ 72,232.05
6/2/2036	\$ 1,097,954.90	\$ 32,931.40	\$ 37,610.51	\$ 70,541.91	\$ 1,419.46	\$ 225.00	\$ 72,186.37
12/2/2036	\$ 1,059,253.68	\$ 31,840.69	\$ 38,701.22	\$ 70,541.91	\$ 1,372.44	\$ 225.00	\$ 72,139.35
6/2/2037	\$ 1,019,430.13	\$ 30,718.36	\$ 39,823.55	\$ 70,541.91	\$ 1,324.07	\$ 225.00	\$ 72,090.98
12/2/2037	\$ 978,451.69	\$ 29,563.47	\$ 40,978.44	\$ 70,541.91	\$ 1,274.29	\$ 225.00	\$ 72,041.20
6/2/2038	\$ 936,284.88	\$ 28,375.10	\$ 42,166.81	\$ 70,541.91	\$ 1,223.06	\$ 225.00	\$ 71,989.97
12/2/2038	\$ 892,895.23	\$ 27,152.26	\$ 43,389.65	\$ 70,541.91	\$ 1,170.36	\$ 225.00	\$ 71,937.27
6/2/2039	\$ 848,247.28	\$ 25,893.96	\$ 44,647.95	\$ 70,541.91	\$ 1,116.12	\$ 225.00	\$ 71,883.03
12/2/2039	\$ 802,304.54	\$ 24,599.17	\$ 45,942.74	\$ 70,541.91	\$ 1,060.31	\$ 225.00	\$ 71,827.22
6/2/2040	\$ 755,029.46	\$ 23,266.83	\$ 47,275.08	\$ 70,541.91	\$ 1,002.88	\$ 225.00	\$ 71,769.79
12/2/2040	\$ 706,383.40	\$ 21,895.85	\$ 48,646.06	\$ 70,541.91	\$ 943.79	\$ 225.00	\$ 71,710.70
6/2/2041	\$ 656,326.61	\$ 20,485.12	\$ 50,056.79	\$ 70,541.91	\$ 882.98	\$ 225.00	\$ 71,649.89
12/2/2041	\$ 604,818.17	\$ 19,033.47	\$ 51,508.44	\$ 70,541.91	\$ 820.41	\$ 225.00	\$ 71,587.32
6/2/2042	\$ 551,815.99	\$ 17,539.73	\$ 53,002.18	\$ 70,541.91	\$ 756.02	\$ 225.00	\$ 71,522.93
12/2/2042	\$ 497,276.74	\$ 16,002.66	\$ 54,539.25	\$ 70,541.91	\$ 689.77	\$ 225.00	\$ 71,456.68
6/2/2043	\$ 441,155.86	\$ 14,421.03	\$ 56,120.88	\$ 70,541.91	\$ 621.60	\$ 225.00	\$ 71,388.51
12/2/2043	\$ 383,407.47	\$ 12,793.52	\$ 57,748.39	\$ 70,541.91	\$ 551.44	\$ 225.00	\$ 71,318.35
6/2/2044	\$ 323,984.38	\$ 11,118.82	\$ 59,423.09	\$ 70,541.91	\$ 479.26	\$ 225.00	\$ 71,246.17
12/2/2044	\$ 262,838.02	\$ 9,395.55	\$ 61,146.36	\$ 70,541.91	\$ 404.98	\$ 225.00	\$ 71,171.89
6/2/2045	\$ 199,918.41	\$ 7,622.30	\$ 62,919.61	\$ 70,541.91	\$ 328.55	\$ 225.00	\$ 71,095.46
12/2/2045	\$ 135,174.13	\$ 5,797.63	\$ 64,744.28	\$ 70,541.91	\$ 249.90	\$ 225.00	\$ 71,016.81
6/2/2046	\$ 68,552.27	\$ 3,920.05	\$ 66,621.86	\$ 70,541.91	\$ 168.97	\$ 225.00	\$ 70,935.88
12/2/2046	\$ -	\$ 1,988.02	\$ 68,552.27	\$ 70,540.29	\$ 85.69	\$ 225.00	\$ 70,850.98

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

APPENDIX E

DESCRIPTION OF IMPROVEMENTS

Efficiency / Conservation Measure (ECM)
Roof Option C (14% Green, 11% Pavers, 75% Ballast)
Wall Insulation
ENERGY STAR Windows
High Efficiency Boiler System for Snow Melting
High Efficiency Building Exhaust Systems
High Efficiency Water Loop Heat Pump System
Energy Recovery Ventilator (ERV)
Indirect Domestic Hot Water System
LED Lighting
High Efficiency Faucets
High Efficiency Showers
High Efficiency Toilets (HETs)
High Efficiency Pint-Flush Urinals
30 kW Solar Photovoltaic (PV) System (Option B)

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

APPENDIX F

PACE Program Application

Property and Property Owner Information

1. **Property/Parcel Legal Name(s)** (as they appear on property tax records)
Parcel #: 28-51-110-001-02
Address: 414 E EIGHTH ST TRAVERSE CITY, MI 49686
Owner: Commongrounds LLC
2. **Property Type** (double-click to check all that apply)
☐ **Agricultural**
☒ **Commercial** (including multifamily with 4 or more units)
 - Type of commercial property – **Mixed Use**☐ **Industrial**
☐ **Nonprofit**
3. **Property Record Owner(s) Contact Information**
Property Owner/Company Name: Commongrounds LLC
Signatory Name: Kate Redman
Address: 425 Boardman Ave, Suite C
Traverse City, MI 49684
E-mail Address: kate@commonplacework.org
Telephone Number: (517) 525-0810 (c)
4. **Property Owner(s) Type**

<input type="checkbox"/> Individual	<input type="checkbox"/> LLP	<input checked="" type="checkbox"/> LLC
<input type="checkbox"/> Corporation	<input type="checkbox"/> 501(c)3	<input type="checkbox"/> Other _____
5. **Property Valuation**
State Equalized Value (SEV): \$433,900.00
Date of SEV: 2020
Valuation (per Appraisal): \$13,060,000
Date of Appraisal: October 23, 2020
6. **Existing Liens Against Property** (tax, special assessment, water or sewer charges, etc.)

Amount	Type	End Date
\$ _____	_____	_____
\$ _____	_____	_____

Total Dollar Amount of Liens Against Property: \$ None (other than PACE at closing)
7. **Balance of Any Mortgage(s):**

	Amount of Mortgage	Name of Mortgage Holder
Mortgage	\$ <u>8,000,000</u>	<u>Coastal States Bank</u>
Additional Debt on Property	\$ <u>1,500,000</u>	<u>IFF</u>
	\$ <u>250,000</u>	<u>Diana Milock Trust</u>

a. **Consent:** If subject to a mortgage - Consent by mortgage holder(s) must be obtained.

Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02

Energy Project Information

- 8. PACE Project Developer** (Lean & Green Michigan can make referrals if necessary.) **Contractor**
Name: Cunningham-Limp Development Company
Address: 28970 Cabot Drive, Suite 100, Novi, Michigan 48377
E-mail Address: rderuiter@clc.build; bpeplinski@clc.build
Telephone Number: 248-762-5118
Other Contractors: _____
- 9. Overall Energy Project Cost:** Overall Project Cost of \$1,458,344.44, maximum assessment of \$1,700,000.00
- 10. Savings to Investment Ratio*** (as provided in Savings Guarantee)
3a. Year 1: TBD
3b. Overall: TBD_
- 11. Useful Life of Energy Project Measures:** 40 years
- 12. User ID for Energy Star Portfolio Manager** (for property): TBD

PACE Loan Details

- 13. PACE Lender/Capital Provider** (Lean & Green Michigan can make referrals if necessary.)
Name: CounterpointeSRE
Address: 777 W. Putnam Ave., Suite 3-2
Greenwich, Ct 06830
E-mail Address: lhabin@counterpointesre.com
Telephone Number: 203-717-0785
- 14. Requested Assessment Amount**
- | | | |
|---------------------------------|------------------------|-----------------------------------|
| Energy Project Cost: | \$ <u>1,658,800.63</u> | includes Eng/Arch & Soft costs |
| Energy Audit | \$ <u>23,000.00</u> | |
| Engineering/Architect Plans | \$ _____ | included in Project Cost above |
| Building Permit Fees | \$ _____ | included in Project Cost above |
| Other (Please explain)- | \$ <u>191,199.37</u> | Cap I, Financing & Legal Fees |
| Total Assessment Amount: | \$ 1,850,000.00 | (Total of all lines above) |
- 15. Requested Assessment Repayment Period:** 25 years
- 16. Interest Rate Offered by Lender:** 5.80%

All Attachments to Application:

- ☒ Appraisal
- ☒ Baseline energy audit on the property, including useful life calculations of individual measures.
- ☐ Cash flow analysis*
- ☒ Savings guarantee*
- ☐ Lender Consent from mortgage holder
- ☐ Mortgage statement
- ☒ Property tax record
- ☒ Title report

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

**APPENDIX G
FORM OF CERTIFICATE OF ASSIGNMENT**

This Certificate of Assignment of the PACE Special Assessment Agreement ("**Assignment**"), dated effective as of _____ (the "**Effective Date**"), is made by [LENDER] ("**Assignor**") to _____ ("**Assignee**"). Assignor and Assignee are referred to at times, each individually as a "**Party**," and collectively as the "**Parties**."

Agreement

1. For good and valuable consideration¹ and the payment of Ten Dollars and No Cents (\$10.00), the receipt and sufficiency of which is hereby acknowledged, confessed, stipulated and agreed upon by Assignor, Assignor ASSIGNS, BARGAINS, GIVES, SETS OVER, CONVEYS, TRANSFERS and DELIVERS to Assignee all of Assignor's rights, title, interest, obligations, and duties under the PACE Special Assessment Agreement (Parcel # _____, as described in **Exhibit A**, attached hereto) entered into by Assignor, [PROPERTY OWNER], a Michigan limited liability company, and Grand Traverse County, and the related [LOAN DOCUMENTS] (the "**Transferred Interest**"), together with all of Assignor's rights to receive payments from [PROPERTY OWNER] and/or [SERVICER] attributable to the Transferred Interest arising on and after the date of this Assignment.

2. Assignor warrants that: (i) it is authorized to execute this document; (ii) it is conveying good, indefeasible title to the Transferred Interest; (iii) the Transferred Interest is free and clear of all liens and encumbrances, and no party has any rights in or to acquire, or hold as security, or otherwise, the Transferred Interest; and (iv) it has provided Grand Traverse County with a notice of this Assignment, a copy of which is attached hereto as **Exhibit B**.

3. Assignor hereby agrees to make, execute and deliver to Assignee any and all further instruments of conveyance, assignment or transfer, and any and all other instruments, as may be necessary or proper to carry out the purpose and intent of this Assignment and/or to fully vest Assignee in all rights, titles, interests obligations, and duties of Assignor in and to the Transferred Interest, which instruments shall be delivered to Assignee as soon as possible without any condition or delay on the part of Assignor.

4. Assignee hereby accepts all of Assignor's rights, title, interest, obligations, and duties under the PACE Special Assessment Agreement and agrees to be bound by its terms. From and after the date of this Assignment and satisfaction of the conditions contained in Section 8.02(b) of the PACE Special Assessment Agreement, Assignee shall be a party to the PACE Special Assessment Agreement and shall have the rights and obligations of the Assignor specified thereunder, and Assignee shall be deemed to be the "Lender" for all purposes of the PACE Special Assessment Agreement.

¹ State exemption: MCL 207.526(d); County exemption: MCL 207.505(d)

Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02

5. All notices, certificates or communications provided pursuant to the PACE Special Assessment Agreement to Assignee shall be delivered as provided in the PACE Special Assessment Agreement to:

Assignee:

(Name)

(Address)

(Attention)

With a copy to:

(Name)

(Address)

(Attention)

IN WITNESS WHEREOF, Assignor and Assignee hereby agree to be bound by the terms of this Assignment and each has executed this Assignment to be effective as of the Effective Date.

ASSIGNOR:

[LENDER]

By: _____

Its: _____

ASSIGNEE:

Name: _____

By: _____

Its: _____

**Grand Traverse County PACE Special Assessment Agreement
Parcel # 28-51-110-001-02**

APPENDIX H

LENDER CONSENT

[SEE ATTACHED]

LENDER CONSENT FORM

Lender Consent and Acknowledgement of Owner Participation in County of Grand Traverse, Michigan PACE Program

This acknowledgement is granted as of the date signed below, by Coastal States Bank (the "Lender"), and for the benefit of Commongrounds LLC, and Commongrounds Cooperative (collectively the "Property Owner"), and Grand Traverse County ("the County") in the State of Michigan.

Recitals

A. Pursuant to Public Act No. 270 of 2010, the County established the Grand Traverse County Property Assessed Clean Energy ("PACE") Program on April 30, 2014, by Resolution 48-2014 to promote installation of energy efficiency improvements and/or renewable energy systems.

B. The Property Owner has applied to the Program to finance the improvements outlined in **Appendix B** attached hereto on the Property Owner's real property, described in **Appendix A** attached hereto (the "Property"). The Property Owner desires to enter into a PACE Special Assessment Agreement with the County and Hannon Armstrong Sustainable Real Estate (the "PACE Lender") pursuant to which the PACE financing will be paid back as an assessment on the Property. The related payment terms are proposed to consist of the following:

- Total Cost of Energy Improvements: \$1,640,290.30
- Total PACE Financing Amount*: \$1,850,000
- Total Annual Special Assessment**: \$147,034
- Annual interest rate not to exceed: 5.8%
- Term of repayment period: 25 years
- Payments per year: 2

** Includes all Program fees and capitalized interest during construction. The above amounts are subject to minor deviation.*

*** Includes any annual collection fees.*

C. Contemporaneous with closing on the PACE Special Assessment financing, Owner shall execute a mortgage, deed of trust, on the closing date, to the Lender, covering the Property, to secure a promissory note in the sum of \$8,000,000.00, to be recorded in the Grand Traverse County Register of Deeds.

D. Repayment by the Property Owner under the PACE Special Assessment Agreement will be a statutory assessment levied against the Property notice of which shall be recorded against the Property in the Office of the County Clerk/Register of Deeds for Grand Traverse County, Michigan, and which assessment, together with interest and any penalties, shall constitute a lien (the "Lien") on the Property, and shall be collected subject to the terms agreed to between the parties and as contained in the PACE Special Assessment Agreement.

Consent and Acknowledgement

Lender acknowledges that it has been informed of the Property Owner's participation in the Grand Traverse County PACE Program, and hereby consents to the assessment and agrees that Property Owner's execution of the PACE Special Assessment Agreement will not constitute a default under Lender's Deed of Trust.

Lender understands that, pursuant to Michigan Compiled Laws, Chapter 460. Public Utilities § 460.943, the assessment described herein constitutes a lien against the property on which the assessment is imposed until the assessment, including any interest or penalty, is paid in full and the lien runs with the property and has the same priority and status as other property tax and assessment liens. Lender further understands that as a result of the PACE Special Assessment Agreement between Grand Traverse County and the Property Owner, the assessment described herein will be levied on the Property, and that the assessment will be collected in installments subject to the same penalties, remedies, and lien priorities as real property taxes.

Execution of this Consent and Acknowledgement by Lender's representative shall constitute full and complete consent to the Property Owner's participation in the Grand Traverse County PACE Program.

Name of Lender: Coastal States Bank

Date: Dec 21, 2020

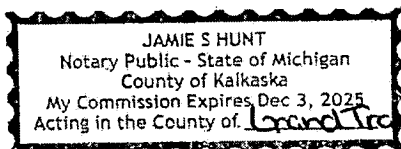
By: Jeff Hickman

Title: Vice President

STATE OF Michigan

COUNTY OF Grand Traverse ^{ss}

The foregoing instrument was acknowledged before me this 21st day of Dec, 2020, by Jeff Hickman on behalf of Coastal States Bank



Jamie S Hunt
Jamie S Hunt Notary Public
Kalkaska County, State of Michigan
Acting in Grand Traverse County
My Commission Expires: 12-03-2025

EXHIBIT A

(Description of Premises)

PARCELA

Lot 3 and part of Lot 2, Hannah, Lay & Co's Eighth Addition to the City of Traverse City, according to the plat thereof as recorded in Liber 2 of Village Plats, Page 43, being described as: Beginning at the Northeast corner of said Lot 3; thence North 90°00'00" West along the south platted right of way of Eighth Street 114.41 feet; thence South 00°00'00" East, 137.39 feet to a point 10 feet northerly from the shore of Boardman Lake; thence South 76°31'18" East parallel to and 10 feet northerly of the shore, 20.02 feet; thence South 68°57'09" East parallel to and 10 feet northerly of the shore, 29.85 feet; thence South 65°16'53" East parallel to and 10 feet northerly of the shore, 39.55 feet; thence South 48°19'44" East parallel to and 10 feet northerly of the shore, 39.95 feet to the Southeast corner of said Lot 3; thence North 00°22'57" East along the east line of said Lot 3, 195.88 feet to the Point of Beginning.

SUBJECT TO AND TOGETHER WITH an ingress and egress easement in part of Lot 2, Hannah, Lay & Co's Eighth Addition to the City of Traverse City, according to the plat thereof, being described as: Commencing at the Northeast corner of Lot 3, Hannah, Lay & Co's Eighth Addition to the City of Traverse City, according to the plat thereof; thence North 90°00'00" West along the south right of way of Eighth Street, 103.41 feet to the Point of Beginning; thence South 00°00'00" East, 118.00 feet; thence North 90°00'00" West, 11.00 feet; thence South 00°00'00" East, 10.82 feet; thence North 45°27'45" West, 15.43 feet; thence North 00°00'00" East, 118.00 feet to the south right of way of Eighth Street; thence North 90°00'00" East along the south right of way of Eighth Street, 22.00 feet to the Point of Beginning.

Appendix B
Eligible Improvements

Plumbing	63,000.00
Electrical	86,000.00
HVAC	311,000.00
Windows	237,000.00
Wall Insulation	83,000.00
Roof Option A	249,000.00
30 KW Solar System - Option B	90,000.00