

ECONOMIC IMPROVEMENT COMMITTEE AGENDA/MEETING NOTICE

January 13, 2022

3:00 PM

Robert J. Parks Library

6010 Skeel Ave

Oscoda, MI 48750

989-739-9581

Posted Date: 01/12/2022

Press Notification Date: 01/12/2022

Posted By: Melinda Morgan

-
- I. Welcome & Call to Order
 - II. Roll Call
 - III. Additions / Changes to the Agenda
 - IV. Approval of Minutes – December 14, 2021
 - V. Superintendent Updates – Tammy Kline
 - VI. Planning Commission Updates – Bob Tasior
 - VII. Charter Township of Oscoda Board Updates – Josh Sutton
 - VIII. Sub-Committee Reports:
 - a. Downtown Re-Development Committee - TD
 - i. December meeting was cancelled, attempting to get January meeting on the calendar
 - b. Archway Committee - TD
 - i. Waiting for budget numbers
 - c. Art & Placemaking – TD
 - i. Team meets weekly, next 1/14
 - ii. New website landing page and “call to artist” published
 - iii. 3 Banners from 2021 processed have been ordered
 - d. Outdoor Social District Committee - TD
 - i. Social District has been approved
 - ii. Newly launched website landing page
 - IX. Training Opportunities & Important Dates: - TD
 - X. Special Projects Updates: -TD
 - a. RRC Update
 - i. 11 items requiring attention
 - ii. 8 items are annual quality control items that need to be addressed and a couple short comings with a couple processes
 - iii. 3 items that were kicked back for further definition
 - b. Township Property Disposition
 - i. Skeel Ave
 - ii. Lake St Redevelopment
 - iii. Aune Medical Building

iv. Furtaw Field

XI. Old Business:

- a. Housing development options
 - i. Developers have looked at Hull Island (50 acres)
 - ii. Identified 8+ acres off River Rd that Township owns that could be developable
 - iii. Family Fare site
 - iv. Michigan Ave parcels
 - v. Railroad owned property into Hull Island
- b. Annual Meeting Preparation
 - i. First or second week in March
- c. Pace Program Follow up – next steps

XII. New Business:

- a. Community Development MEDC Updates - Presentation by Lindsey Miller for Feb meeting
- b. Boards and Commissions Training Resolution
- c. Website updates
 - i. EIC = “Downtown” tab with Social District and Art Walk landing pages
 - ii. Main .gov site =
 - 1. Edits to Agendas and Minutes
 - 2. OOP
 - 3. RRC edits for Zoning and Planning

XIII. Public Comment

XIV. Committee Comment

XV. Adjournment



Charter Township of Oscoda
110 South State Street
Oscoda, Michigan 48750
Office of Supervisor: (989)739-3211
Office of Clerk: (989)739-4971
Office of Treasurer: (989)739-7471
Office of Superintendent: (989)739-8299
Fax: (989)739-3344

EIC Meeting Minutes December 14, 2021

Call to Order – Mr. Iler called the meeting to order at 3:01 p.m. The meeting was held virtually at web address: <https://us02web.zoom.us/j/84502752355> Call In: (929)205-6099 Meeting ID: 845 0275 2355.

Roll Call – Board Members Present: Mr. Iler, Mr. Tasior, Mr. Sutton, Ms. Nentwig
Board Members Absent: Mr. Ommani
Others Present: Mr. Dickerson, Ms. Kline, Mary Freeman

Additions – None

Approval of Minutes – Mr. Iler supported a motion by Mr. Tasior to approve the October 26, 2021, Minutes.
ALL YEAS:

MOTION CARRIED

SUPERINTENDENT UPDATES: Ms. Kline updates: Approved the 2022 Budget and I now have an assistant.

Planning Commission Updates: Mr. Tasior updates: November preliminary site plan approval for Holiday Inn. On Monday the site plan was approved, and it will now be sent to the board of trustees. Our chairperson Ms. McDonald resigned, Jeff Linderman was appointed to fill opening and Mr. Davis is our new chairperson. The parks and Recreation Plan was approved as well.

Charter Township of Oscoda Board Updates: Mr. Sutton updates- Aune was approved for Auction Sale in the amount of \$900,000.00, Reappointment of committee members, and appointment of Mr. Linderman to replace Ms. McDonald.

EIC Updates Mr. Dickerson: Subcommittees are for community involvement and to get community perspective.

Mary Freeman– Lean and Green Program Introduction. Pace In Michigan launched in 2012.

Oscoda Township Regular Board Meeting Minutes
December 14, 2021

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Sub-Committee Reports:

- a. Downtown Development Committee - TD i. Meeting Nov 23
- b. Archway Committee - TD i. Meeting held 10/14
 - ii. Pursuing budgetary estimates
- c. Art & Placemaking – TD i. Meeting weekly
 - ii. 2022 Plan/Goals
- d. Outdoor Social District Committee - TD i. Materials submitted to LARA, moving towards approval

IX. Special Projects Updates: -TD

- a. RRC Update
- b. Systems have been approved and integration to website in process
 - ii. Finalizing incentives on website (3 Revolving Loan Funds)
- c. PlaceLEAP – No Update
- d. Brownfield Redevelopment Authority – TD – No Update
- e. OWA Grants & Funding Pursuit (Rowe Engineering)
- f. Township Property Disposition
 - i. Skeel Ave
 - ii. Lake St Redevelopment
 - iii. Aune Medical Building
 - iv. Furtaw Field

X. Old Business:

- a. Housing development options
 - i. Developers have looked at Hull Island (50 acres)
 - ii. Developers have looked at Hull Island (9 acres)
 - iii. Identified 8+ acres off River Rd that Township owns that could be developable

XI. New Business:

- a. LAGM PACE Energy Program – Guest Speaker Mary Freeman
- b. Annual Meeting (March) Preparation
- c. 2022 Meeting Schedule

2022 Meeting Schedule – Ms. Nentwig supported a motion by Mr. Tasior to approve Having one meeting a month in 2022 to be held the Tuesday after the first Oscoda Township Board Meeting every month in person at the Library.

ALL YEAS:

MOTION CARRIED

December 14, 2021

Oscoda Township Regular Board Meeting Minutes

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d. Michigan Land Bank Update

Public Comment –

Committee Comments –

Dave Iller- Parcel mentioned in last night’s meeting. It was the old dump property.

Adjourn – Mr. Iler made a motion to adjourn at 04:14 p.m.

Joshua Sutton
Member
Economic Development Committee

Disclaimer of Electronic Meeting of the Township Board of Trustees:

In accordance with Senate Bill 1108, the Oscoda Township Board is meeting electronically to maintain compliance with the Emergency Order issued by MDHHS on Friday 2 October (referencing MCL 333.2253) restricting gathering sizes. Members of the public may participate in the meeting electronically using the Zoom Information provided on the top of this Agenda Notice (link, call-in number, meeting ID, and passcode). The public may contact members of the Oscoda Township Board of Trustees by using the link to the Township’s website to obtain contact information or may contact Township Hall by calling 989-739-3211:

https://www.oscodatownshipmi.gov/1/322/board_of_trustees.asp

There is a public comment period during the meeting. People that have joined the meeting via the Internet can indicate that they want to speak during public comment using the “raise your hand’ function; or they can type their comments in the chat function. Those that have joined by phone will be called upon to see if they have a public comment. The Charter Township of Oscoda Board of Trustees will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting upon a seven-day notice to the Oscoda Township Board by writing or calling the following: Township Clerk, Oscoda Township Hall, 110 South State Street, Oscoda, Michigan 48750, 989-739-4971.

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Appendix:

Resolution Number 2019-20; Oscoda Township Economic Improvement Committee

Meeting Dates 2021

EIC Activity Dashboards

PlaceLEAP Implementation Strategies – Community

PlaceLEAP Implementation Strategies – Downtown

MEDC Redevelopment Ready Certification Road Map

1.0 Introduction

On June 25, 2019, the Economic Improvement Committee was created by Resolution Number 2019-20. The mission of the Oscoda Township Economic Improvement Committee is to be a catalyst for economic development and foster a strong economic environment which supports businesses and nurtures growth and new investment in The Charter Townships of Oscoda. The Oscoda Township Economic Improvement Committee is dedicated to promoting and facilitating economic development and to improve quality-of-life by increasing its economic base and encourage new business growth and promote retention of current businesses for the Township as a whole.

Hired on November 1, 2019, the EIC is guided by the Economic Improvement Director. The corresponding resolution can be found in the Appendix of this report.

2.0 Membership

Per the resolution, the committee shall be comprised of five township residents who will meet at a minimum of once per month. These board members will serve on four-year staggered terms to ensure continuity. To maintain adequate cross representation, at a minimum: one board member shall be one of the Oscoda Board of Trustees (including any of the seven board members), one shall be an Oscoda Township Planning Commissioner, and one shall be a resident of Oscoda Township. The other vacant positions may be filled by Oscoda Township residents whether from another government board or not. The board may add an alternate position who only has voting and deliberation abilities while filling a vacant position, or has deliberation rights while serving on a development committee subcommittee or advisory committee. Board members shall be appointed by the Oscoda Township Supervisor and approved by the Charter Township of Oscoda Board of Trustees.

As of December 31, 2020, the Economic Improvement Committee members are as follows:

Economic Improvement Committee Member	Term Expiration
Mark Wygant (Chair)	December 31, 2023
David Iler (Vice Chair)	December 31, 2022
Bill Palmer (Planning Commission Representative)	June 7, 2021
Rose Mary Nentwig (Secretary)	December 31, 2023

Josh Sutton (Township Board Representative)	November 20, 2024
Tony Ommani (Alternate)	December 31, 2023

3.0 Meetings

The year started out with meetings scheduled for the 2nd Tuesday of the month, meeting in person at 3:00 pm at the Robert J. Parks Library. However, as the EIC ramped up its activity and subsequent workload for the Economic Improvement Director, the EIC motioned to begin meeting twice a month. In response to increasing time need for meetings and the introduction of COVID, the EIC made several edits to meeting times and began having meetings utilizing the Zoom video conference platform.

The meeting schedule set forth for the year 2021 is designated to be the Tuesday following the Charter Township of Oscoda’s Board meeting on the 2nd and 4th Mondays of the month. The EIC meetings will be at 3:00 pm and continue to be at held on the Zoom platform until such time that Governor Whitmer allows for in person meetings to resume. The EIC will update the location of in person meetings at such time. The published schedule can be found in the Appendix of this report.

4.0 Economic Improvement Committee Responsibilities

The vision is to lead the State of Michigan and Northeastern Michigan with an innovative and sustainable economy while attracting new businesses and expertise to enjoy our unique lifestyle. This committee will set the standard in economic growth as a leader promoting investment and development and is responsible for providing leadership for the Township's economic growth strategy. It will create and implement an Economic Development Strategy, design and employ a Downtown Redevelopment Plan, develop and apply a Community Marketing Strategy and Branding System, qualify and retain Redevelopment Ready Communities Certification, oversee all Brownfield Redevelopment Authority activities, and encourage investment in the Township’s Opportunity Zone (or any of the listed subsequent replacement programs), and work to succeed in its mission by the year 2030.

5.0 Economic Improvement Committee 2020 Key Activities & Accomplishments

In 2018 the community embarked on their effort to pursue and achieve the MEDC's Redevelopment Ready Community certification. In 2019, consultants Place + Main were hired to perform a strategic economic development analysis and to ultimately formulate the Township's Economic Development Strategy, referred to as the PlaceLEAP Strategies. The overall strategy is delivered in two implementation segments – Community and Downtown. The Strategies are broken down by subject "Objectives" and then by specific "Tasks". Additionally, this report will include a recap of the RRC progress and other responsibilities of the Economic Improvement Director. The PlaceLEAP Implementation plans and RRC Road Map can be found in their entirety in the Appendix of this report.

5.1 Economic Development Strategy – Implementation Plan – Community

The Community Implementation Plan is comprised of a total of 11 subject objectives that total 44 tasks to be completed. The nature of the adopted strategies is such that not every objective is the direct responsibility of the EIC, but the EIC plays a supporting role at a minimum. This report addresses only the objectives and tasks assigned directly to the EIC.

5.1.1 Objective 1 - Create Inventory of Available Properties:

Considerable time was spent early in 2020 to identify available and vacant properties in the community, both public and privately owned. Oscoda is unique to most communities in that we have an abundant amount of real estate directly owned by the Township. The EIC spent time understanding that inventory and generated marketing materials to promote Township owned properties. The private real estate is broken down into two categories: Properties listed by third party agents and properties that are simply not being advertised or promoted. We routinely monitor the agent market to know what is on and off the market. We have also conducted research to understand the vacant building market, made introductions to these building owners to understand their goals so we may connect them to potential users and investors as they enter the market.

5.1.2 Objective 2 - Launch Initiative/MAMA Spaceport:

In February 2020, MAMA announced the Charter Township of Oscoda as the nominated site for FAA licensure for horizontal space launch. The EIC and Economic Director has invested countless hours of support to the continued success of this effort (achieving FAA licensure) in the form of several meetings with MAMA's delegation, a business trip to NASA's Cape Canaveral facility, trade booth promotion at the 2020 North American Space Summit and hosted a Familiarization Tour of potential end users and investors in Oscoda. Over 30 professionals attended this event from outside the area to better understand the opportunities the spaceport could present in Oscoda.

5.1.3 Objective 3 - Facilitate the Creation of More Rental Housing:

Market rate housing is by far the most critical issue facing Oscoda today and into the foreseeable future. Lack of housing negatively impacts our local businesses to fill vacant positions, grow new job opportunities, support existing small businesses, bars and restaurants, and further encourage new businesses to absorb the existing vacant buildings and space. Businesses will prosper and new businesses will open when the year-round sustainable population grows. To that end, the EIC and Director have worked on vigorously promoting this opportunity to developers by completing a third-party housing study proving high demand, documenting achievable rental rates, identifying land options, creating marketing materials on available properties and assembled a pre-designed solution for a preferred site for multi-family housing.

5.1.4 Objective 6 - Create Regional Opportunity Partnership:

Economic Development takes partners and resources above what the local community can provide itself. The Director has spent considerable time building relationships with organizations in our region and the State. In 2020 we began engaging in regular meetings and became an active participant in the Northeastern Michigan Council of Government (NEMCOG), Eastern Michigan Council of Government (EMCOG), the MEDC's Business Development & Community Development Teams, Community Economic Development Association of Michigan (CEDAM) and a direct line of communication to our Federal Economic Development Association (EDA) Business Manager, to name a few. All these organizations provide us access to critical training for our community leaders and access to grant programs and funding. Oscoda benefitted from winning a CEDAM sponsored grant to add Fellow, Ryan Madis to the economic improvement team for 18 months allowing to accomplish more goals and significantly accelerate our RRC tract to certification. MEDC grants are critical for our local projects and we have gained much credibility with them in the past 14 months. We were active participants in the EMCOG CEDS 5-year plan effort – critical document for winning EDA grants and took a leadership role in the Target Alpena effort for the MEDC COVID Relief grants that were made available. We were able to bring several hundred thousand dollars in grants to our local businesses here in Oscoda.

5.1.5 Objective 7 - Talent Onboarding:

The EIC published a welcome package for new residents and workforce contractors to make it easier for them to engage in the community, find services, places to eat, understand the recreation opportunities, and, most important, who to call to find a place to rent! We can have the best community on the planet, but it will not matter if people are unable to live here and contribute to our business. The welcome packet can be found on the Township EIC website under the resources tab.

5.1.6 Objective 8 - Conduct Retention Program:

One of the core building blocks of any community economic development strategy is the support of existing industry-based businesses. Often referred to as Business Retention and Expansion (BR&E) calls, the goal is to meet with the top employers in the community, typically non-retail employers, and discuss current challenges effecting their growth or sustainability in the market. PlaceLEAP recommended a top 10 list. However, given the nature of our local economy, a top 14 employers list was created. We achieved 100% outreach to these businesses and with 64% of them accepting meetings to discuss a myriad of issues. We will repeat this for 2021 and coordinate with the MEDC on these meetings.

5.1.7 Objective 9 - Manufacturing Attraction Program:

Attracting new businesses is a highly competitive endeavor. Job creation, industry-based businesses are critical to the backbone of the majority of cities in the U.S. Communities need certain tangible items to win: vacant buildings, shovel ready building sites, competent and affordable workforce, local tax incentives, and a compelling community pitch, why “Oscoda”. Working within the context of what we have, the EIC did create marketing materials that focused on the Aune Office Complex, available ground for industrial projects, 2 marketing videos for featured properties and community assets, and aligned ourselves with the MEDC to receive alerts on opportunities the State is working on. We submitted on 2 projects that we had suitable assets for but were not short listed. We will continue this in 2021.

5.2 Economic Development Strategy – Implementation Plan – Downtown

The Community Implementation Plan is comprised of a total of 7 subject objectives that total 51 tasks to be completed. The nature of the adopted strategies is such that not every objective is the direct responsibility of the EIC, but the EIC plays a supporting role at a minimum. This report addresses only the objectives and tasks assigned directly to the EIC.

5.2.1 Objective 2 - Create a Parking Management Plan:

Some of the feedback obtained in the public meetings during the formation of the PlaceLEAP Strategies in 2019 suggested parking was an issue. We further addressed parking in 2020 through a survey associated with the Downtown Summit, field surveys conducted by the Director and conversations with business owners. The result was a completed parking map of downtown available for public use and survey results that simply did not reveal a public or business outcry for more public parking. As the community has a chance to grow, it warrants future consideration but for now we are satisfied that there is ample parking with all the available street parking and Township owned public lots throughout the municipality.

5.2.2 Objective 3 - Create Vibrancy Grant:

With all the time invested in many of the other tasks associated with the PlaceLEAP Strategies, vibrancy grants, public art and the archway slipped towards midyear execution. The EIC has begun achieving some tasks associated with this objective to the extent that budget monies have been approved in the 2021 Township Budget for vibrancy grants and we are evaluating a documented program for 2021 participation.

5.2.3 Objective 5 - Create More Public Art:

One of the biggest takeaways from the Downtown Summit was the survey associated with the summit and the commentary associated with public art. This community has a legitimate interest in public art, of various kinds. We have monies set aside in the 2021 budget to complete designated art projects in the community. The EIC has created a sub-committee to execute on the theme of public art and we anticipate completion of such projects in 2021.

5.2.4 Objective 6 - Create Archway to Connect Downtown to Beachfront:

One of the more interesting concepts evolving from the PlaceLEAP Strategies was the proposal of constructing an Arch over either US23 or River Road to connect the high traffic corridor to the beach. The EIC has begun working diligently on assembling a cost estimate for a structure, and dialogue with MDOT on what the options could look like. We will unveil potential options in 2021.

5.3 MEDC Redevelopment Ready Community Certification

The Michigan Economic Development Commission (MEDC), the State agency for Business and Community Development has a program called Redevelopment Ready Communities. Certification in this program requires strict adherence in developing policies, actions and strategies in what the MEDC considers “best practices” in community development. Under the direction of the EIC, the office of Economic Improvement made great strides in accomplishing many of the tasks required for certification.

Under the current guidelines of the program, there are 36 total tasks to accomplish for certification. We entered 2020 with a completion percentage of 26% (10/39). We finished 2020 with a completion factor of 69% (25/36) and having all tasks in process to complete. The Road Map of tasks for certification can be found in the appendix of this report. The commentary of remaining tasks to complete the certification follow.

5.3.1 1.1.1 Master Plan Updated/Adopted:

Under the direction of the Zoning department and Planning Commission, the Township is pursuing an update to the previously adopted Master Plan. This update will more closely align the true planning goals of the community, the capital improvement plan, and form-based code zoning. We anticipate this task can be accomplished by April 2021.

5.3.2 2.1.1 Master Plan Alignment; Zoning & Master Plan are Aligned:

As written, the updated Master Plan ultimately satisfies the requirement for this task. We anticipate this task can be accomplished by April 2021.

5.3.3 3.2.1 Guide to Development:

The Guide to Development is the roadmap to success for developers/investors looking to complete development projects in the community. Once complete, it will be a published document that investors can refer to as a guide to understand the processes of project completion in our community. The RRC designates this as task 3.2.1, but functionally it also encompasses the tasks designated as 3.1.3, 3.1.4, 3.1.5, 3.1.6, 3.1.7, 3.2.2. These subsequent tasks make up the whole of the Guide to Development. We anticipate this task can be accomplished by May 2021.

5.3.4 5.2.2 Community Prosperity; New Community Website:

Everything in RRC translates back to public information and ease of others to find our information electronically. Thus, having a new (or currently revised) website is a critical element to achieving RRC. We are currently under contract with third party vendor Revise to accomplish this task. We anticipate this task can be accomplished by May 2021.

5.4 Additional Responsibilities – Economic Improvement Director

In terms of economic growth, the PlaceLEAP Strategies and RRC make up the foundation of working towards an investor and small business friendly environment for success. However, there are a multitude of activities that get us past theory and strategies and into other day to day activities. Below is a grouping of tasks that also fall under the purview of the Economic Improvement Director:

5.4.1 Marketing the Community:

If we look to the specific responsibility of the EIC or the tasks of the Economic Improvement Director, much of what has been designated is within the PlaceLEAP Strategies. However, the daily task of the Director is to understand the dynamic of the community and the available opportunities and always be marketing to potential investors, developers, and end users. This task is a year over year mission of any economic development profession.

5.4.2 Township Owned Property Disposition:

As stated previously, the Charter Township of Oscoda is in an interesting situation compared to most municipalities in that they directly own a vast amount of property that can be sold and repurposed for desired development. As the Director works towards overall strategies in real estate, there are several conversations with potential investors/developers that ultimately include a proposed project on Township owned property.

5.4.3 New Business/New Investment Projects:

As evidenced by the Dashboard report in the Appendix of this report, the office of economic improvement, along with zoning, intake many investment projects throughout the year. The office of economic improvement worked on _____ specific projects towards capital investment or new business ventures in the community.

5.4.4 Grant Pursuits:

We already recognized the successful pursuit of the CEDAM Fellow grant in addition to the MEDC COVID Grant work we completed on behalf of the county and local Oscoda businesses. Unfortunately, 2020 was filled with unexpected work to support our local small businesses, but the office of economic improvement rose to the challenge and made sure the businesses of Oscoda received their fair share of support. As this report gets drafted, Target Alpena is working on the MEDC Survival Grant Program with direct involvement from Oscoda's Economic Improvement Director. We will address future grants as they present themselves from the MEDC.

6.0 2021 Goals:

The EIC will continue its focus on the PlaceLEAP Strategies Implementation, RRC and activities performed specifically by the Economic Improvement Director. In addition to strategies currently in progress, we will place an emphasis on the following new goals:

6.1 PlaceLEAP Implementation Plan - Community:

6.1.1 Objective 2 – Launch Initiative:

The EIC will continue to partner with the Oscoda Wurtsmith Airport to support MAMA and their application and pursuit of spaceport licensure.

6.1.2 Objective 3 – Facilitate the Creation of More Rental Housing:

The EIC will continue to pitch opportunities to developer prospects with the material goal of having at least one project under contract within the calendar year of 2021.

6.1.3 Objective 9 – Manufacturing Attraction Program:

The EIC will continue to move the community forward in competing for new investment opportunities. These tasks may include rezoning property for industrial use, engaging in leads presented through our relationships with the MEDC, securing grants for infrastructure or improving our industrial tax abatement program.

6.1.4 Objective 10 – Create a Revolving Loan Fund (RLF):

The EIC will investigate the RLF in place at the County level to understand its applicability to our goals. If appropriate, we will leverage this existing RLF and

promote to local businesses. Otherwise, we will take the necessary steps to create one specific to Oscoda Township as spelled out in the PlaceLEAP Strategies.

6.2 PlaceLEAP Implementation Plan - Downtown:

6.1.5 Objective 3 – Create Vibrancy Grants:

Launch and fully execute a new Vibrancy Grant program starting in the SSBD zone.

6.1.6 Objective 4 – Improve Walkability + Traffic Calming:

Build our relationship with MDOT to work through the various tasks and propose solutions as identified and identify funding sources. We will focus on the process for 2021 knowing that the improvements might not be executed until after 2021.

6.1.7 Objective 5 – Create More Public Art + Murals:

Through collaboration and extended partnerships with citizen stakeholders and civic organizations, the EIC will complete one new building mural in 2021.

6.1.8 Objective 6 – Create Archway to Connect Downtown to the Beachfront:

The EIC will facilitate the action steps to present enough information to get the community and the Township Board to a “go no-go” decision on whether to invest in an archway structure. These steps shall be completed in 2021 with an implementation strategy following 2021 contingent on funding sources.

6.3 MEDC Redevelopment Ready Community Certification:

Complete the certification in 2021 and position ourselves to maintain compliance with the requirements. Achieve certification and live it.

6.4 Additional Responsibilities - Economic Improvement Director:

6.1.9 Marketing the Community:

Marketing, branding, and promoting the community never ends. The EIC will continue to use the brand identity accepted in 2019 and promote the community for investment opportunities, but also as a four season travel destination in the State of Michigan.

6.1.10 Township Owned Property Disposition:

The EIC and the Economic Improvement Director will be the lead for the disposition of Oscoda Township owned property by either self-promotion or engaging the services of a third-party real estate broker. The Economic Improvement Director will facilitate the offer and acceptance process through the Township Board.

6.1.11 New Business/New Investment Projects:

As in 2020, we will engage with businesses and developers to facilitate investment in the Township of Oscoda. As the dashboard suggests, these projects run the gambit of several types all with a wide range of timelines.

6.1.12 MEDC COVID/Small Business Grants:

Partnering with Target Alpena or other lead agencies, the EIC will assist in market awareness or grant processing for new grant initiatives rolled out by the MEDC for COVID relief or small business support.

6.1.13 Brownfield Redevelopment Authority:

As designated in the Ordinance creating the Economic Improvement Committee, the EIC will be the lead for projects and efforts that fit a brownfield designation.



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**OSCODA TOWNSHIP,
MICHIGAN**

PACE PROGRAM

INSERT DATE

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Lean & Green Michigan™ PACE Program

Executive Summary

Public Act No. 270 of 2010 (“Act 270”) authorizes local units of government to adopt Property Assessed Clean Energy (“PACE”) programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

Lean & Green Michigan™ (“LAGM”) has developed a collaborative approach to PACE programs for local units of government by standardizing the administrative and legal process under which PACE programs are created and managed. Many local units of government throughout the state joined have or are in the process of joining LAGM utilizing a “shared services” approach to eliminate upfront and ongoing program costs and duplication. Further, this approach creates one efficient statewide market, allowing property owners, lenders and clean energy contractors to utilize a standardized process as they employ PACE financing in multiple jurisdictions throughout the state.

This documentation package includes the report required by Section 9 of Act 270 and provides model forms of documents for the PACE program. As many of the details of a PACE transaction are determined on a project-specific basis, adjustments to the model documents may be required to fit a particular transaction. Additionally, there are several blanks left in the documents that should be filled in when the corresponding information is known.



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PACE PROGRAM REPORT

This Lean & Green Michigan™ PACE Program Report contains the information required by Section 9 of Act 270. Additional information is available from Oscoda Township (“Oscoda”). The PACE Program and Report were approved by the Township Board of Trustees on INSERT DATE, subsequent to a public hearing held on INSERT DATE.

INTRODUCTION

In order to encourage economic development, improve property valuation, increase employment, reduce energy costs, reduce greenhouse gas emissions and contribute to the public health and welfare in Oscoda Township, the Township Board of Trustees established the Oscoda Township Property Assessed Clean Energy Program pursuant to Public Act No. 270 of 2010 (“Act 270”) by joining Lean & Green Michigan™ (“LAGM,” the “PACE Program” or “Program”). The PACE Program has identified specific sources of commercial funding to finance the implementation of energy efficiency improvements, renewable energy systems and energy projects within the Oscoda Township PACE district (which is coterminous with the Oscoda Township jurisdictional boundaries).

The Township Board passed a Resolution of Intent to create a PACE district by joining the Lean & Green Michigan statewide PACE program on INSERT DATE. The Board published its first version of this PACE Report thereafter, and held a public hearing on INSERT DATE. The Board passed a Final Resolution adopting this PACE program on INSERT DATE.

The purpose of this PACE Report (hereinafter the “Report”) is to fulfill the requirements of Act 270. Section 9 of Act 270 requires a Report that includes: a form of contract between Oscoda Township and the record owner; identification of an official authorized to enter into program contracts on behalf of Oscoda Township; an application process and eligibility requirements; a method for determining interest rates, repayment periods and the maximum amount of assessment; explanation of how assessments will be made and collected; a plan for raising capital; information regarding reserve funds and fees of the program; a requirement that the term of the assessment not exceed the useful life of the energy project; a requirement of an appropriate ratio of the amount of assessment to the assessed value of the property; requirement of consent from the mortgage holder; provisions for marketing and participant education; provisions for adequate debt service reserve fund; quality assurance and antifraud measures; and a requirement for baseline energy audits, ongoing savings measurements and performance guarantees for projects over \$250,000 in assessments.

1. Form of PACE Contract

A form of model PACE Special Assessment Agreement is attached as **Appendix A**. Individual property owners may negotiate project-specific terms to be included in an actual agreement based upon the specific energy efficiency and renewable energy improvements to be financed through the individual agreement, subject to the limitations set forth herein.

2. Authorized Official/PACE Administrator

The _____ or his/her designee (the “Authorized Official”) is authorized to enter into PACE Program contracts on behalf of Oscoda Township in consultation with Lean & Green Michigan, LLC (“LAGM”). The Authorized Official is further authorized to sign any agreement, documents or certificates necessary to facilitate the participation of property owners and to facilitate the purposes hereunder.

As part of Lean & Green Michigan™, LAGM will act as PACE administrator and will manage Oscoda's PACE Program. LAGM is authorized to negotiate with credit providers and PACE project participants to facilitate the use of the PACE Program and to assist PACE project applicants in obtaining owner-arranged financing.

3. Financing Parameters

In establishing its PACE district, Oscoda intends for PACE projects to be funded through owner-arranged private financing. The maximum aggregate annual amount of financing provided by Oscoda in 2022 shall be zero dollars. The maximum aggregate dollar amount for financing provided by Oscoda may be adjusted and/or amended on an annual basis or more frequently by the Township Board and will remain at zero dollars unless and until it is changed.

Oscoda shall not provide any financing for PACE projects under Oscoda's PACE Program. Oscoda's PACE Program shall be solely funded through owner-arranged financing from commercial lenders, as allowed under Act 270, Section 9(1)(g)(iii). Owner-arranged financing from commercial lenders is not included under the maximum aggregate annual dollar amount for financing provided by Oscoda Township under the Program. There is no limit on the maximum aggregate annual amount of financing provided by private commercial lenders under the program. The dollar amount for financing of a particular project will be established by the property owner seeking to make the property improvement and the commercial lender seeking to finance the energy improvements, as approved by LAGM and the Authorized Official.

4. Application Process/Eligibility Requirements

Application Process:

The application process for financing projects under the Program shall be that of LAGM. The current application form is attached as **SAA Appendix F**. This form may be changed or amended as necessary by LAGM.

Eligibility Requirements:

The eligibility requirements for financing projects under the Program shall be those of LAGM. Eligibility requirements may be changed or amended as necessary by LAGM. The current list of eligibility requirements is attached as **SAA Appendix A**.

5. Financing Terms of Assessments

The interest rate for PACE special assessment installments supplied by commercial lenders shall be negotiated by the parties based on current market conditions.

The maximum allowable repayment period of a PACE special assessment must be included in the PACE Special Assessment Agreement and will be determined on a project-specific basis and shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 30 years.

The maximum dollar amount of a PACE special assessment shall be negotiated on a project-specific basis between the property owner and the entity providing the financing based upon the specific energy efficiency improvement(s), water efficiency improvement(s) and/or renewable energy system(s) included in the individual PACE Special Assessment Agreement.

6. Assessment Collection Process

Within the parameters set forth herein, the Authorized Official will authorize one or more commercial lenders to provide financing to defray all or part of the cost of the energy improvements by special assessment upon the Special Assessment Parcel, which the Authorized Official will find is especially benefited in proportion to the costs of the energy improvements.

The Special Assessment Roll, attached as **SAA Appendix C**, will be spread by the Authorized Official on behalf of Oscoda and without objection by the property owner to allocate one hundred percent (100%) of the PACE special assessment levy created hereby to the Special Assessment Parcel.

The PACE special assessment, as allocated by the Authorized Official on behalf of Oscoda without objection by the property owner, will be finally established against the property and the energy projects to be constructed on the Special Assessment Parcel. The PACE special assessment will be effective immediately upon the execution of the PACE Special Assessment Agreement by the property owner. The PACE special assessment may be paid in semi-annual installments pursuant to Section 13(2) of Act 270. The Authorized Official, on behalf of Oscoda, will confirm the Special Assessment Roll.

7. Financing Program

LAGM has developed and will continue to develop an active roster of financial institutions, institutional investors and other sources of private capital available to finance PACE projects in Michigan. By participating in LAGM, Oscoda helps its constituent property owners gain access to private capital made available through the statewide program. Oscoda authorizes the use of owner-arranged financing from commercial lenders to finance qualified energy projects under the Program.

8. Reserve Fund

By participating in LAGM, Oscoda assists its constituent property owners in taking advantage of any and all appropriate loan loss reserve and gap financing programs of the Michigan Economic Development Corporation (“MEDC”) and other federal and state entities. Such financing mechanism can be used to finance a reserve fund if deemed necessary and appropriate by Oscoda.

9. Fee Schedule

Application, administration and program fees for record owners shall be those of LAGM. Administration and program fees will be determined on a project-specific basis and will depend on the size, nature and complexity of the energy project(s) and financing mechanism(s) involved.

10. Useful Life

The maximum length of time allowable for repayment of a PACE assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 30 years and will be determined on a project-specific basis by LAGM. Projects involving multiple energy efficiency improvements and/or renewable energy systems may aggregate the useful life of each improvement to determine an overall useful life figure for financing purposes. In aggregating the improvements, the property owner must appropriately weigh each improvement's dollar cost.

11. Property Eligibility Parameters

The ratio of the amount of the assessment to the market value of the property must be appropriate and shall be set forth in the PACE Special Assessment Agreement for each project. Additionally, the overall indebtedness on the property must be appropriate. In calculating the appropriate ratios, the property owner and the lender providing the financing may determine the market value of the property using either: 1) the market value of the property before the PACE project as agreed to by the property owner and the lender providing the financing using a proper measure such as a recent appraisal or two times the State Equalized Value; or 2) the market value of the property upon completion of the PACE project as agreed to by the property owner and the lender providing the financing using a proper measure such as an appraisal of the "as completed" value of the property or the current market value of the property plus 75% of the value of the PACE project.

In calculating the appropriate ratio of the amount of the assessment to the market value of the property, the cost of the energy project (excluding closing costs and interest) shall generally not exceed 25% of the market value of the property.

In calculating the appropriate ratio of total indebtedness on the property, if the property owner and the lender providing financing calculate an appropriate ratio using the market value of the property before the PACE project, prior debt secured by the building plus the PACE loan shall generally not exceed 95% of the market value of the property. If the property owner and the lender providing financing calculate an appropriate ratio using the market value upon completion of the PACE project, prior debt secured by the building plus the PACE loan shall generally not exceed 90% of the market value of the property.

LAGM and the Authorized Official may permit projects that exceed these values for reasonable cause on a case-by-case basis, and in such cases must include a letter of explanation as an addendum to the Special Assessment Agreement.

12. Mortgage Consent Requirement

If a property is subject to a mortgage the record owner must obtain written consent from the mortgagee to participate in the Program. Proof of lender consent must be submitted before a Special Assessment Agreement may be executed. A form of lender consent to participate in a PACE Program is attached as **SAA Appendix H**.

13. Marketing Program

LAGM has developed an ongoing marketing and participant education program. By joining LAGM, Oscoda gains access to this program and agrees to partner with LAGM in educating businesses in Oscoda about opportunities to save energy, save money and improve their property value. The Township authorizes the use of Oscoda's logo by LAGM to be incorporated into the LAGM website and other communication vehicles. More information regarding the Program can be obtained at LAGM's website: www.leanandgreenmi.com; or at Oscoda's website at [HTTPS://WWW.OSCODATOWNSHIPMI.GOV/](https://www.oscodatownshipmi.gov/).

14. Quality Assurance and Antifraud Measures

LAGM includes the following quality assurance and antifraud measures:

- i. Business integrity review on clean energy contractors conducted by Michigan Saves;
- ii. Background check process on clean energy contractors conducted by Michigan Saves; and
- iii. Other general due diligence as may be necessary or required.

15. Audit Requirement

As set forth in the PACE Program Application, a baseline energy audit must be completed before an energy project is undertaken. Each contract will require and provide adequate funding for monitoring and verification of energy savings throughout the life of the special assessment.

16. Projects Over \$250,000

As set forth in the PACE Special Assessment Agreement, energy projects financed with more than \$250,000 require ongoing measurements to establish energy savings and a guarantee from the contractor that the energy project will achieve a savings to investment ratio greater than one.

17. Amendments to the Program

A public hearing shall not be required to amend this Program. LAGM, with the prior consent of Oscoda, may amend the Oscoda PACE program as necessary from time to time.

**APPENDIX A
SPECIAL ASSESSMENT AGREEMENT**

SPACE ABOVE FOR RECORDING PURPOSES

**PACE SPECIAL ASSESSMENT AGREEMENT
(OWNER-ARRANGED FINANCING)**

by and among

OSCODA TOWNSHIP, MICHIGAN

and

PROPERTY OWNER

and

PACE LENDER

Dated: _____

Oscoda Township PACE Special Assessment Agreement

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APPENDIX A:	PROGRAM ELIGIBILITY REQUIREMENTS
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Oscoda Township PACE Special Assessment Agreement

PACE SPECIAL ASSESSMENT AGREEMENT **(OWNER-ARRANGED FINANCING)**

THIS PACE SPECIAL ASSESSMENT AGREEMENT (this “Agreement”) is made this [INSERT DATE] between OSCODA TOWNSHIP, a Michigan municipal corporation (the “Township”), whose address is 110 South State Street, Oscoda, MI 48750, PROPERTY OWNER, a Michigan limited liability company (the “Property Owner”), whose address is INSERT ADDRESS, and PACE LENDER, a Michigan limited liability company (the “Lender”), whose address is INSERT ADDRESS.

RECITALS:

A. Pursuant to Act 270 and a resolution adopted by the Township Board of Trustees of Oscoda on [INSERT DATE], Oscoda has established the PACE Program as described in the PACE Program Report and has created the Special Assessment District under the PACE Program for the purpose, *inter alia*, of assisting a record owner of property within the Special Assessment District in obtaining Owner-Arranged Financing from a commercial lender to defray the costs of one or more Energy Projects on the property.

B. Under Act 270, Oscoda Township 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 desires to undertake certain Energy Projects on commercial property of the Property Owner 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.

D. In order to induce the Lender to make the Loan to the Property Owner, the Property Owner has requested that Oscoda Township 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.

E. Pursuant to Act 270 and the PACE Program, Oscoda Township is authorized to enter into this Agreement.

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

Oscoda Township PACE Special Assessment Agreement

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 [NAME], or his/her 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 rates dictated for counties by the Michigan General Property Tax Act of 1893 as amended (MCL 211.78a and 211.78g).

(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 Oscoda Board of Trustees.

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

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

(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

Oscoda Township PACE Special Assessment Agreement

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) “**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.

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

(m) “**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 LAGM in order to facilitate property assessed clean energy program-financed transactions.

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

(o) “**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.

(p) “**Loan Documents**” means the Loan Agreement, dated as of [INSERT DATE], 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.

(q) “**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 Township.

(r) “**PACE Program**” shall mean the property assessed clean energy program implemented by the Township pursuant to Act 270 and the PACE Program Report to stimulate energy efficiency and renewable energy projects in conformity with Act 270.

(s) “**PACE Program Report**” means the Lean & Green Michigan™ PACE Program Report approved by the Township Board of Oscoda Township on [INSERT DATE], including any amendments or changes thereto made before the date of this Agreement.

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

Oscoda Township PACE Special Assessment Agreement

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

(v) “**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.

(w) “**Special Assessment**” means the money obligation created pursuant to this Agreement with respect to the Special Assessment Parcel used to defray the cost of the Improvements and which shall, together with all interest, charges and penalties which may accrue thereon, 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.

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

(y) “**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 Township and which is more particularly described on the attached **Appendix B**.

(z) “**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. 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 as a modification, or submitted as a new project, at the discretion of LAGM and the Authorized Official.

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

Oscoda Township PACE Special Assessment Agreement

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 the Township makes no 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 Township 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 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 has entered all electricity bills for the Special Assessment Parcel for the year (12 consecutive months) immediately preceding the installation of the Energy Project. The Property Owner further 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 Township 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 by the levy of the Special Assessment upon the Special Assessment Parcel, which the Authorized Official on behalf of the Township finds is especially benefited in proportion to the cost of the Improvements. The Special Assessment created hereby has been spread by the Authorized Official on behalf of the Township 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 [INSERT LOAN AMOUNT] 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 [NUMBER] semi-annual installments

Oscoda Township PACE Special Assessment Agreement

on the dates and in the amounts set forth in the payment schedule attached hereto as **Appendix D** (the "Payment Schedule"). The Special Assessment Roll and the Payment Schedule are hereby confirmed by the Authorized Official on behalf of the Township. 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 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 Township, 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 Township 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 Township may conclusively rely upon the Lender's determinations thereof for the purpose of exercising and discharging all of the Township's rights and obligations under this Agreement. The Lender agrees to provide, or cause to be provided, notice to the Property Owner and the Township 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 Township may request.

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 Township hereby irrevocably assigns to the Lender its right to receive all installments of the Special Assessment required to be 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 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 Township, 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

Oscoda Township PACE Special Assessment Agreement

Owner and the Township; (ii) the Township shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the Township 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 Township of written notice from the Lender of a payment default in accordance with Section 4.05 hereof, the Township 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) 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 Township'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 Township.

(b) 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.

(c) 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 PACE lender with the Register of Deeds of Iosco County, State of Michigan.

(d) 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

Oscoda Township PACE Special Assessment Agreement

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 Township.

(e) The Township 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 Township 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 Township 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.

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 Township for Township 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 Township, including accrued interest, charges and penalties. The Special Assessment confirmed hereby is a debt to the Township from the Property Owner and its successors in interest, lessees, purchasers and assigns. The right of the Township 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 Township 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 Township 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 Township or this Agreement shall not invalidate the Special Assessment or the Special Assessment Roll and shall not be a jurisdictional requirement.

Oscoda Township PACE Special Assessment Agreement

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 Township, 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 Township 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. Upon receipt of such notice from the Lender, the Township shall take such actions as may be required to cause the Payment Default Amount to be certified for collection on the summer or winter tax bill next succeeding the Payment Default Date, and such Payment Default Amount shall be collected at the same time and in the same manner as is prescribed for the collection of the Township taxes under the General Property Tax Act and the ordinances of the Township. The Township may assess a fee for delinquent taxes, interest, penalties, and fees as provided under General Property Tax Act Section 211.78. Notwithstanding the foregoing provisions of this Section 4.05(a), if the Township shall determine that the notice of the Lender described in this Section 4.05(a) was not received by the Township 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 Township 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 Township pursuant to the terms of this Agreement or otherwise in reliance upon the information contained in such notice. Absent receipt by the Township of written notice from the Lender of a Payment Default in accordance with this Section 4.05(a), the Township 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 the Township shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the Township 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 Township 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 Township from the Oscoda Treasurer as collections of any Payment Default Amount within forty-five (45) days of the date such sums are received by the Township from the Oscoda Township Treasurer. The parties hereto expressly acknowledge and agree that in no event shall the Township advance to the Lender the amount of any unpaid Payment Default Amount, and the Township shall be obligated to pay

Oscoda Township PACE Special Assessment Agreement

over to the Lender only such sums as are actually received by the Oscoda Township Treasurer as collections of any Payment Default Amount.

(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 Township or the General Property Tax Act, either by Iosco County or by Oscoda Township, Michigan, for the administration, billing, collection or enforcement of the Special Assessment created hereby, such amounts shall remain a debt of the Property Owner to Oscoda Township, Michigan or the Iosco 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' written notice to the Lender and the Township, 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 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 Township 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 Township 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. 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 Oscoda Township or Iosco County Treasurer Becoming Owner of the Special Assessment Parcel. In the event that either the Township or the Iosco County Treasurer takes ownership of the Special Assessment Parcel by operation of law, the Township or Iosco County Treasurer and the Lender agree that while 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 Township or the Iosco 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 Township or the Iosco County Treasurer to the Lender. Any and all principal, interest, penalties, fees, and other charges which accrue during the period by which the Township or the Iosco County Treasurer own the Special Assessment Parcel will, in the sole and unlimited discretion of the Lender, either be: (1) considered

Oscoda Township PACE Special Assessment Agreement

immediately due and payable by any person or entity who purchases the Special Assessment Parcel from the Township or the Iosco 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 Township's Obligations.

The obligations of the Township 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 Township, unless waived in writing by the Township:

(a) The Township, the Property Owner 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 or the Township is a party, or shall be threatened in writing against the Property Owner or the Township, 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 Township 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 of the Township 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

Oscoda Township PACE Special Assessment Agreement

by the Property Owner to the Township'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 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 or lien 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 Township.

The Township represents and warrants to the Property Owner that, as of the date of this Agreement:

(a) The execution and delivery of this Agreement has been duly authorized by the Township, and this Agreement complies with Act 270 and constitutes a valid and binding agreement of the Township, enforceable against the Township 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 the Township is subject, or any agreement to which the Township is a party or by which the Township is bound, or any order or decree of any court or governmental entity by which the Township is subject.

(c) 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.

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The Property Owner represents and warrants to the Township 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 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) 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 the contractor involved in the Improvements, do not involve the Township, and Property Owner agrees to hold the Township and its agents, including but not limited to LAGM, harmless from any such disputes or causes of action.

(f) 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 Lender.

The Lender represents and warrants to the Township that:

(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.

Oscoda Township PACE Special Assessment 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 Township, 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, any representations of the Township with respect to the Property Owner.

(c) Lender warrants and agrees that any contractual, legal or other disputes between it and Property Owner--other than matters specifically related to enforcement of property tax obligations--do not involve the Township, and Lender agrees to hold the Township and its agents, including but not limited to LAGM, harmless from any such disputes or causes of action.

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 Township, an “Event of Default” shall be deemed to have occurred under this Agreement.

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 Township, 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 Township and any costs incurred by the Township in enforcing or attempting to enforce this Agreement or the Special Assessment, including attorneys’ fees and expenses; or to foreclose on the Special Assessment Parcel and to sell all or any part of the Special Assessment Parcel to the extent necessary to recover any damages and costs; or any combination of the foregoing. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the Township shall not be obligated to institute any of the actions or proceedings or to exercise any of the remedies authorized by this Section 7.02 upon the occurrence of an Event of Default hereunder, and that its obligations with respect to the billing, collection and enforcement of the Special Assessment or any installment thereon shall be limited to those obligations set forth in Article IV of this Agreement. The Lender acknowledges that neither the Special Assessment nor any installment thereon can be accelerated.

Section 7.03 The Township Default. If the Township 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

Oscoda Township PACE Special Assessment Agreement

by the Township from the Property Owner or the Lender, a “Township Default” shall be deemed to have occurred under this Agreement.

Section 7.04 Remedy for Township Default. Upon the occurrence of a Township 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 Property Owner nor the Lender shall have the right to seek to recover money damages against the Township, 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 Township Default nor the institution of any proceeding or the exercise of any remedy upon the occurrence of a Township 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 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

Section 8.01 Term. Except as otherwise provided in this Agreement, the terms 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 excepting as otherwise expressly provided herein.

(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 Township 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

Oscoda Township PACE Special Assessment Agreement

hand. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, between the Township, on the one hand, and the Lender or the Property Owner, on the other hand.

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. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

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 8.10 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 8.11 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.

[SIGNATURES ON THE FOLLOWING PAGE]

Oscoda Township PACE Special Assessment Agreement

IN WITNESS WHEREOF, the TOWNSHIP, PROPERTY OWNER, and PACE LENDER have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

Witnessed:

PROPERTY OWNER

Signature of:

By: _____
Its:

Witnessed:

OSCODA TOWNSHIP

Signature of:

By: _____
Its: AUTHORIZED OFFICIAL

Signature of:

By: _____
Its: AUTHORIZED OFFICIAL

Witnessed:

PACE LENDER

Signature of:

By: Its:

Oscoda Township PACE Special Assessment Agreement

State of Michigan)
) ss
County of _____)

The foregoing instrument was acknowledged before me this ___ day of ___, 202_, by
_____ the Authorized Signatory of _____ on behalf
of _____.

Notary Public
_____ County, Michigan
My Commission expires _____

State of Michigan)
) ss
County of _____)

The foregoing instrument was acknowledged before me this ___ day of ___, 202_, by
[TOWNSHIP AUTHORIZED OFFICIAL] on behalf of Oscoda Township.

Notary Public
_____ County, Michigan
My Commission expires _____

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this ___ day of ___, 202_, by PACE
LENDER OFFICIAL the Authorized Signatory of PACE LENDER, on behalf of PACE LENDER.

Notary Public
COUNTY, STATE
My Commission expires _____

Oscoda Township PACE Special Assessment Agreement

APPENDIX A **PROGRAM ELIGIBILITY CHECKLIST**

Property is privately owned commercial or industrial real property within the Oscoda Township'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 ad valorem 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 30 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).

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APPENDIX B

SPECIAL ASSESSMENT PARCEL DESCRIPTION

Parcel Number:

Address:

LEGAL DESCR:

Oscoda Township PACE Special Assessment Agreement

APPENDIX C

SPECIAL ASSESSMENT ROLL

PACE Project Special Assessment

Parcel Number:

Address:

TOWNSHIP:

Owner:

Assessment:

Percent:

I certify that the above is the special assessment role created for the PACE project referenced in this document in the applicable county, city, village, or applicable entity, in the State of Michigan, subject to payment of the special assessment as outlined in Appendix C of this document.

Dated

Oscoda Township PACE Special Assessment Agreement

APPENDIX D

**PAYMENT SCHEDULE
(TBD)**

Oscoda Township PACE Special Assessment Agreement

APPENDIX E

DESCRIPTION OF IMPROVEMENTS

APPENDIX F

PACE Program Application
Property and Property Owner Information

1. **Property/Parcel Legal Name(s)** (as they appear on property tax records)

Parcel #: _____
 Address: _____
 Owner: _____

2. **Property Type** (double-click to check all that apply)

- Agricultural**
- Commercial** (including multifamily with 4 or more units)
 - Type of commercial property - _____
- Industrial**
- Nonprofit**

3. **Property Record Owner(s) Contact Information**

Property Owner/Company Name: _____
 Signatory Name: _____
 Address: _____
 E-mail Address: _____
 Telephone Number: _____

4. **Property Owner(s) Type**

- Individual LLP LLC
- Corporation 501(c)3 Other _____

5. **Property Valuation**

State Equalized Value (SEV): \$ _____
 Date of SEV: _____
 Valuation (per Appraisal): \$ _____
 Date of Appraisal: _____

6. **Existing Liens Against Property** (tax, special assessment, water or sewer charges, etc.)

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

Total Dollar Amount of Liens Against Property: \$ _____

7. **Balance of Any Mortgage(s):**

Mortgage	Amount of Mortgage	Name of Mortgage Holder
	\$ _____	_____

Oscoda Township PACE Special Assessment Agreement

Additional Debt on Property \$ _____

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

Energy Project Information

1. PACE Project Developer (Lean & Green Michigan can make referrals if necessary.)

Name: _____
Address: _____
E-mail Address: _____
Telephone Number: _____
Other Contractors: _____

2. Overall Energy Project Cost: _____

3. Savings to Investment Ratio* (as provided in Savings Guarantee)

3a. Year 1: _____
3b. Overall: _____

4. Useful Life of Energy Project Measures: _____ years

5. User ID for Energy Star Portfolio Manager (for property): _____

PACE Loan Details

1. PACE Lender/Capital Provider (Lean & Green Michigan can make referrals if necessary.)

Name: _____
Address: _____
E-mail Address: _____
Telephone Number: _____

2. Requested Assessment Amount

Energy Project Cost: \$ _____
Energy Audit \$ _____
Engineering/Architect Plans \$ _____
Building Permit Fees \$ _____
Other (Please explain) \$ _____
Total Assessment Amount: \$ _____ (Total of all lines above)

3. Requested Assessment Repayment Period: _____ years

4. Interest Rate Offered by Lender: _____%

All Attachments to Application:

- Appraisal
Baseline energy audit on the property, including useful life calculations of individual measures.

Oscoda Township PACE Special Assessment Agreement

- Cash flow analysis*
- Savings guarantee*
- Lender Consent from mortgage holder
- Mortgage statement
- Property tax record
- Title report

Oscoda Township PACE Special Assessment Agreement

APPENDIX G

FORM OF CERTIFICATE OF ASSIGNMENT

This Certificate of Assignment of the Special Assessment Agreement (“Assignment”), dated effective as of _____, 201__ (the “Effective Date”), is made by INSERT 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 consideration and the payment of [INSERT PAYMENT AMOUNT] ([INSERT NUMERICAL VALUE]), 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 Special Assessment Agreement entered into by Assignor, _____, and _____ (the “Transferred Interest”), together with all of Assignor’s rights to receive payments from _____ 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; and (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.

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 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 Special Assessment Agreement, Assignee shall be a party to the 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 Special Assessment Agreement.

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

Oscoda Township PACE Special Assessment Agreement

(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:

[INSERT LENDER]

By: _____

Its: _____

ASSIGNEE:

Name: _____

By: _____

Its: _____

Oscoda Township PACE Special Assessment Agreement

APPENDIX H

FORM OF LENDER CONSENT

Lender Consent and Acknowledgement of Owner Participation in
Oscoda Township, Michigan, PACE Program

This acknowledgement is granted _____, 20__, by NAME OF MORTGAGE HOLDER (the “Lender”), and for the benefit of _____ (the “Property Owner”), and Oscoda Township (the “Township”) in the State of Michigan.

Recitals

A. Pursuant to Public Act No. 270 of 2010, the Township established the Oscoda Township Property Assessed Clean Energy (“PACE”) Program on _____, 20__, by resolution, to promote installation of energy efficiency improvements and/or renewable energy systems.

B. The Property Owner has applied to the Program to finance the amount of \$ AMOUNT OF FINANCING, to be paid back as an assessment on Property Owner’s real property, described in **Appendix D** attached hereto (the “Property”), over a period of twenty years.

C. Owner has previously executed a mortgage, deed of trust, dated _____, 20__, to the Lender, covering the Property, to secure a promissory note in the sum of \$ AMOUNT OF LOAN, and recorded on _____, 20__ at Liber __, Page __, _____ 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 the applicable County, 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 Oscoda Township PACE Program, and agrees that Property Owner’s execution of the PACE Special Assessment Agreement will not constitute a default under Lender’s Deed of Trust.

Execution of this Consent and Acknowledgement by Lender’s representative shall constitute full and complete consent to the Property Owner’s participation in the Oscoda Township PACE Program.

Oscoda Township PACE Special Assessment Agreement

Name of Lender: _____

Date: _____

By: _____

Title: _____

STATE OF MICHIGAN)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by _____, on behalf of _____.

_____, Notary Public
_____, County, State of _____
Acting in _____ County
My Commission Expires:

NOTICE OF PUBLIC HEARING

OSCODA TOWNSHIP, STATE OF MICHIGAN

ON THE ESTABLISHMENT OF A PACE
PROGRAM AND A PACE DISTRICT

TO ALL INTERESTED PERSONS IN OSCODA TOWNSHIP:

PLEASE TAKE NOTICE that the Township Board of Trustees of Oscoda Township, State of Michigan, (the "Township") will hold a public hearing on INSERT DATE, at INSERT TIME, in the Oscoda Township Hall, 110 South State Street, Oscoda, MI 48750, to receive comments on the proposed Property Assessed Clean Energy ("PACE") program and the proposed PACE report.

TAKE FURTHER NOTICE that the Township Board intends to establish a PACE program and to establish a PACE district, having the same boundaries as the Township's jurisdictional boundaries, pursuant to Act No. 270, Public Acts of Michigan, 2010 ("Act 270"), for the purposes of encouraging economic development, improving property valuation, increasing employment, reducing energy costs, reducing greenhouse gas emissions, and promoting the use of renewable energy systems and energy efficiency improvements.

TAKE FURTHER NOTICE that the PACE report, required by Section 9(1) of Act 270, is available on the Township's website at <HTTPS://WWW.OSCODATOWNSHIPMI.GOV/>, and is available for viewing at the office of the Clerk located at 110 South State Street, Oscoda, MI 48750.

THIS NOTICE is given by order of the Township Board of Trustees of Oscoda Township.

OSCODA TOWNSHIP
IOSCO COUNTY, MICHIGAN

**RESOLUTION OF INTENT TO ESTABLISH A PROPERTY ASSESSED
CLEAN ENERGY PROGRAM AND CALLING PUBLIC HEARING**

Minutes of a regular meeting of the Township Board of Trustees of Oscoda Township (“Board”), Michigan, held at Oscoda Township Hall, 110 South State Street, Oscoda, MI 48750, on _____, 2022 at _____, local time.

PRESENT: _____

ABSENT: _____

The following resolution was offered by Member _____ and supported by Member _____:

WHEREAS, the Board intends to authorize the establishment of a property assessed clean energy program (“PACE Program”) and create a PACE district pursuant to Act No. 270, Public Acts of Michigan, 2010 (“Act 270”), for the purpose of promoting the use of renewable energy systems and energy efficiency improvements by owners of certain real property; and

WHEREAS, the Board intends to find that financing energy projects is a valid public purpose because it reduces energy costs, reduces greenhouse gas emissions, stimulates economic development, improves property values and increases employment in the Township; and

WHEREAS, the types of energy projects, either energy efficiency improvements or renewable energy systems, that may be financed under the PACE Program include, but are not limited to: 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; any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the Board; a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one or more renewable energy resources to generate electricity. Renewable energy resources include, but are not limited to: biomass (includes a biomass stove but does not include an incinerator or digester); solar and solar thermal energy; wind energy; geothermal energy and methane gas captured from a landfill; and

WHEREAS, the Board intends to create PACE districts from time to time based on applications from specific eligible properties; and

WHEREAS, the Board intends to join Lean & Green Michigan™, and intends to utilize Lean & Green Michigan, LLC as PACE administrator (the “PACE Administrator”) to administer its PACE Program; and

WHEREAS, the report referenced in Section 9(1) of Act 270 (the “PACE Report”) shall be available on the Board’s website [HTTPS://WWW.OSCODATOWNSHIPMI.GOV/](https://www.oscodatownshipmi.gov/), and shall be available for viewing at the office of the Township Clerk located at: 110 South State Street, Oscoda, MI 48750.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board, being fully apprised of the PACE Program, finds that financing energy projects is a valid public purpose because it reduces energy costs, reduces greenhouse gas emissions, stimulates economic development, improves property values and increases employment in the Township.
2. The Board, by adoption of this Resolution, formally states its intention to establish PACE districts from time to time based on applications from specific eligible properties and a PACE Program as described in and for the reasons set forth in this Resolution.
3. The Board formally states its intention to provide a property owner based method of financing and funds for energy projects from owner-arranged financing from a commercial lender, which funds and financing shall be secured and repaid by assessments on the property benefited, with the agreement of the record owners, such that no Township moneys, general Township taxes or Township credit of any kind whatsoever shall be pledged, committed, or used in connection with any project as required by and subject to Act 270.
4. The Board, by adoption of this Resolution, formally states its intention to join Lean & Green Michigan™, and to utilize Lean & Green Michigan, LLC as PACE Administrator.
5. The Board hereby sets a public hearing for _____, at _____, at 110 South State Street, Oscoda, MI 48750 to receive comments on the proposed PACE Program, including the PACE Report.
6. The Clerk is authorized and directed to publish a notice of intent to establish a PACE district and a PACE Program, and a notice of the public hearing set by this Resolution in a newspaper of general circulation in the Township as a display advertisement prominent in size. The Township Clerk shall maintain on file for public review a copy of the PACE Report and shall cause the PACE Report to be available on the Township’s website in accordance with the requirements of Act 270.
7. All resolutions and parts of resolutions inconsistent with this Resolution are repealed to the extent of such inconsistency.

YEAS: Members _____

NAYS: Members _____

ABSENT: Members _____

RESOLUTION DECLARED ADOPTED.

[NAME], Clerk
Oscoda Township

The foregoing is a true and complete copy of a resolution adopted by the Township Board of Trustees at a regular meeting held on _____, _____, notice of which was given pursuant to the Michigan Open Meetings Act, Public Act 267 of 1976.

[NAME], Clerk
Oscoda Township

OSCODA TOWNSHIP, MICHIGAN

RESOLUTION TO ESTABLISH PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Minutes of a regular meeting of the Township Board of Trustees of Oscoda Township (“Board”), Michigan, held at 110 South State Street, Oscoda, MI 48750, on _____, 2022 at _____, local time.

PRESENT: _____

ABSENT: _____

The following resolution was offered by Member _____ and supported by Member:

WHEREAS:

1. At its meeting of _____, 2022, this Township Board adopted a resolution of intent to establish and to hold a public hearing concerning the establishment of a property assessed clean energy program (“PACE Program”) and create a PACE district(s) pursuant to 2010 PA 270 (“Act 270”) to promote “energy projects” defined by Act 270 to include “installation or modification of energy efficiency improvements or the acquisition, installation or improvement of renewable energy systems.”
2. The Township Board held a public hearing on the proposed PACE Program on _____, 2022 during which the Township Board heard comments on the proposed PACE program from anyone wishing to address the Township Board concerning it.
3. Financing energy projects is a valid public purpose.
4. The proposed PACE program as described in the Oscoda Township PACE Program Report, an updated version of which is attached as Exhibit A, would provide financing for energy projects with property owner-arranged loans from a commercial lender the repayment of which, if approved by the property owner with the consent of any mortgage holder, would be made and secured by assessments against the property benefited by the projects, so that no Township moneys, general Township taxes or Township credit of any kind whatsoever shall be pledged, committed or used in connection with any energy project.
5. The types of energy projects that may be so financed, the administration of the PACE Program, the manner of establishing PACE Districts within the Township in which the PACE Program may be used, and other details of the proposed PACE Program, as required by Act 270, are set forth in detail in PACE Program Report.

NOW, THEREFORE, BE IT RESOLVED:

1. Oscoda Township establishes the Oscoda Township PACE Program the terms and conditions of which are set forth in the PACE Program Report attached as Exhibit A and incorporated by reference, which PACE Program Report is approved.
2. All aspects of the Oscoda Township PACE Program may be amended by approving resolutions of the Township Board without a new public hearing.
3. The Township may join with any other local unit of government, or with any person, or with any number or combination thereof, by contract or otherwise as may be permitted by law, for the implementation of the Oscoda Township PACE Program, in whole or in part, and the [REDACTED] or his/her designee is authorized to execute and deliver such documents, agreements or certificates as may be necessary or advisable to permit the cooperative implementation of the PACE Program as provided by Act 270 or other applicable law.
4. All resolutions and parts of resolutions are, to the extent of any conflicts with this resolution, rescinded.

YEAS: _____

NAY: _____

ABSENT: _____

RESOLUTION NO. ____ ADOPTED.

The foregoing resolution was adopted at a regular meeting of the Township Board of Trustees of Oscoda Township on _____, 2022.



Lean & Green Michigan, LLC (LAGM) is committed to providing the Lean & Green Michigan PACE program to Michigan municipalities, townships, and counties at no taxpayer expense. We are happy to answer any questions about PACE you may have, and have created this list of the steps involved in creating and running a PACE program to address some of the common questions we have been asked by other jurisdictions.

Joining Lean & Green Michigan

1. Creation of Lean & Green Michigan program

- We have created a statewide market that brings the benefits of advertising, communications, ease-of-use and scale to participating counties.
- Our member jurisdictions pay nothing for any of these benefits.

2. Drafting and passing legislation

- LAGM provides draft legislation and modifies it to suit the specific legislative needs at no charge to the member jurisdiction.

3. Process for joining

1. Pass Resolution of Intent (Draft provided by LAGM)
2. Publish PACE Report (Draft provided by LAGM)
 - Includes naming “Authorized Official”
3. Issue Notice of Public Hearing (Draft provided by LAGM)
4. Hold public hearing and vote on Resolution to Establish (Draft provided by LAGM)

How a PACE Project Happens (including any local government involvement)

1. Educate building owners, energy contractors, economic developers, and others. (No cost/involvement from City or local government)

- LAGM undertakes an ongoing communications and training program for our member jurisdiction and other participating townships, municipalities, and counties.
- To date, over 120 people from over 85 companies have been trained.
- Non-profit members of the Lean & Green Michigan public-private partnership have received grants to train various constituencies in participating counties.
- Our member jurisdictions bear none of the cost for this.

2. The application process

- LAGM works with PACE customers to evaluate potential projects and help them apply for the program and submit necessary paperwork. This includes determining eligibility.

- Property owners/contractors typically reach out to Lean & Green Michigan directly.
 - *Local government typically provides information and point of contact for questions regarding PACE and Lean & Green Michigan. Typically, this will be featured on the City government website. Still, you can just direct all questions to LAGM and Lean & Green Michigan as you choose.*

3. Audit and Project Analysis

- If needed, LAGM connects the property owner with a contractor or multiple contractors that can help with a more detailed analysis and audit.
- Contractor performs energy audit
- LAGM aids in economic analysis of project
- Details of Energy Conservation Measures and the projected savings are presented to the property owner with a total dollar amount for the project including labor and all admin fees.

4. Project closing

- LAGM works with property owners and lenders to develop all documentation necessary to close a PACE project.
- LAGM obtains or provides the legal services necessary to create a complete, finished Special Assessment Agreement for each project.

5. Project finance (No cost/involvement from County or local government)

- Our member jurisdictions will not be asked to contribute money to facilitate PACE projects. There will be no taxpayer dollars involved.
- Projects will be financed using owner-arranged financing using private capital.
 - The property owner works with LAGM to identify a lender (LAGM works with a network of lenders, but any lender can participate if they so choose)

6. Installation of ECMs (No cost/involvement from City or local government)

- Contractor performs the work
- Property is enrolled in Energy Star Portfolio Manager. This free service allows property owners and LAGM to track energy usage.

7. Processing of PACE payments

- **Direct pay (No cost/involvement from County or local government)**
 - If the property owner pays the lender directly, the City will incur no cost and will have no involvement. This is the program default, and we have yet to have a property owner/lender willing to pay for additional cost associated with billing through property tax bill.
- **Through property tax bill**
 - *If the property owner pays the lender through the property tax bill, the local unit of government may add a fee to reflect actual administrative cost, so that there is no net cost.*

- *The actual procedure is carried out by the local government unit (City/Village/Township) in the same way that a typical special assessment would be added to the tax roll.*

8. Foreclosure

- A foreclosure on a PACE project is unlikely because PACE lenders only finance projects on healthy buildings. Of over \$100,000,000 in PACE projects in the U.S. to date, **we do not know of a single Commercial PACE foreclosure.**
- In the event of a default, the City will enforce the PACE lien on a coequal basis along with the property owner's other property tax obligations.
- The City/County does *not* have to include the PACE lien in its revolving fund program.
- Foreclosure and sale of the property:
 - If the property is sold for back taxes or greater, the PACE lender receives the back taxes it is owed and the City/County loses nothing.
 - If the property is sold for less than back taxes, the PACE lender receives only its pro rata share of the sale proceeds, not everything it was owed. Other entities owed back taxes also receive their pro rata share, which may be slightly more or less than they would have been if there had been no PACE lien (PACE improvements may have increased the sale price).
 - If the property cannot be sold, the PACE lender receives nothing, and again the PACE project does not cause the loss of any taxpayer money.
- It is important to remember that the PACE lien runs with the land, so the PACE lender is *never* owed future PACE payments. The future owner pays those.
- **Bottom line: the taxpayers are not putting any money into the PACE project, and the PACE lender is taking the risk.**

9. Ongoing monitoring, verification and maintenance (No cost or involvement from local government)

- Buildings undergoing PACE projects in our member jurisdictions must agree to enroll in the Energy Star Portfolio Manager program to monitor energy costs and savings.
- This program is free.
- Building owners may enter into maintenance contracts as part of PACE projects, but these will be between private parties.
- No taxpayer dollars will be involved.