

**RESOLUTION NO. 3410**

**INTRODUCED BY COUNCIL**

**A RESOLUTION TO AUTHORIZE THE CREATION OF THE CITY OF SPARKS COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM TO PROVIDE THE MEANS OF FINANCING ONE OR MORE ENERGY EFFICIENCY IMPROVEMENT PROJECTS, RENEWABLE ENERGY PROJECTS, WATER EFFICIENCY IMPROVEMENT PROJECTS OR RESILIENCY PROJECTS FOR QUALIFYING COMMERCIAL OR INDUSTRIAL REAL PROPERTY; TOGETHER WITH OTHER MATTERS PROPERLY RELATED THERETO.**

**WHEREAS**, the City of Sparks (the City) is a political subdivision of the State of Nevada duly organized and operating as a city under the provisions of an act entitled “AN ACT incorporating the City of Sparks, in Washoe County, Nevada under a new charter, defining the boundaries thereof, and providing other matters properly relating thereto,” cited as Chapter 470, Statutes of Nevada 1975, and all laws amendatory thereof (the Charter); and

**WHEREAS**, the City has numerous existing commercial and industrial buildings with many years of remaining useful life. However, many of these buildings may not meet current energy efficiency standards and lack renewable energy and conservation systems that make existing industrial and commercial property more desirable and economically feasible for owners and tenants; and

**WHEREAS**, the construction of new industrial and commercial buildings that include renewable energy and conservation systems that exceed current building energy code requirements will make such buildings more attractive to owners and tenants and promote long term resiliency and sustainability of the City’s future Commercial and Industrial real properties; and

**WHEREAS**, the City recognizes that investment in cost effective energy and conservation systems can make such buildings more attractive to owners and tenants while stimulating innovation, bolstering the local economy, and creating employment opportunities at all levels in the community. Such investment will advance the goals and policies of the City’s Comprehensive Plan by promoting the resiliency and sustainability of the City’s existing Commercial and Industrial real properties; and

**WHEREAS**, NRS Chapter 271 at sections 271.6312-.6325, inclusive (the Act) enables a Nevada Municipality, without an election, to adopt a resolution whereby the Governing Body of the

Municipality specifies the procedure for the creation and administration of a district, which may constitute the entire jurisdictional boundaries of the Municipality (the "District"), with the purpose of financing one or more Qualifying Improvement Projects with willing owners of Qualifying Commercial or Industrial Real Property, a program generally known as a "Commercial Property Assessed Clean Energy Program" or "C-PACE Program"; and

**WHEREAS**, the City Council hereby finds and determines that the investments to be made and financed under a C-PACE Program may reasonably be expected to (i) renew and revitalize existing commercial and industrial properties; (ii) enhance the value of both existing and new commercial and industrial properties; (iii) improve the marketability and profitability of such improved properties (iv) generate local construction jobs; (iv) lead to the creation of additional jobs by the businesses which thereby become more profitable; (vi) improve air quality; (vii) and support progress towards the city's goals to encourage green building, reduce carbon emissions, and expand the clean energy economy; and (viii) strengthen the local economy;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SPARKS DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1  
PROGRAM CREATION**

- 1.1 The City of Sparks, Nevada, a Nevada municipality, hereby finds a C-PACE program is in the public interest and creates the "Sparks C-PACE Program" by adoption of this Resolution.
- 1.2 The Program Guide, attached hereto as Exhibit A and incorporated herein by reference, is hereby adopted by the City pursuant to NRS 271.6325(2-4).

**SECTION 2  
DEFINITIONS**

- 2.1 Capitalized terms used herein but not otherwise defined have the meanings given such terms in the Act.

- 2.2 **"Assessment"** and **"Assessment Lien"** means a voluntary lien created by the City against any tract specifically benefited by any Qualified Improvement Project to defray wholly or in part the cost of the project, in an existing structure or new construction, which lien shall be made on a Qualifying Commercial or Industrial Real Property, as secured by a Recorded Notice of Assessment and Assessment Lien, and which shall not be subject to acceleration or extinguishment by the sale of any property on account of the nonpayment of general taxes, and is prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general taxes attached to the tract pursuant to the provisions of NRS 361.450.
- 2.3 **"Assessment Agreement"** means the voluntary contract, signed by the City and the Property Owner, whereby the Property Owner agrees to an Assessment and Assessment Lien imposed and Recorded on its Tract as security for repayment of Financing received pursuant to a Financing Agreement, a form of which is attached to the Program Guide.
- 2.4 **"Capital Provider"** means any private entity or the designee, successor or assign of the private entity that provides Financing for a Qualified Improvement Project pursuant to the Act.
- 2.5 **"City"** means the City of Sparks, Nevada, a Nevada municipal corporation.
- 2.6 **"City Program Manager"** means the Sparks City Manager or their designee.
- 2.7 **"C-PACE"** means Commercial Property Assessed Clean Energy.
- 2.8 **"C-PACE Assignment"** means a written assignment of the Notice of Assessment and Assessment Lien executed by the City for the benefit of the Qualified Capital Provider that provided the financing for the Qualified Improvements Project which shall be recorded to evidence the City's assignment of the Assessment and Assessment Lien, a form of said C-PACE Assignment is attached to the Program Guide.

- 2.9 **"Delinquent C-PACE Payment"** means any installment payment of the financing Amount that was not paid by Property Owner when due, which shall include without limitation, all interest, late fees, and penalties incurred pursuant to the Financing Agreement.
- 2.10 **"Effective Date"** means the date this Resolution goes into effect.
- 2.11 **"Energy Efficiency Improvement Project"** means the installation or modification of one or more energy efficiency improvements that decrease or support the decrease of energy consumption or demand for energy through the use of energy efficiency technologies, products or activities and incidentals which are necessary, useful, or desirable for any such improvements and which installation or modification has a useful life of not less than ten (10) years.
- 2.12 **"Financing"** means the C-PACE Financing or refinancing described in the Financing Agreement, which is financed by the Qualified Capital Provider for one or more Qualified Improvement Projects on Qualifying Commercial or Industrial Real Property.
- 2.13 **" Financing Agreement"** means the contract pursuant to which a Property Owner or lessee, as applicable, agrees to repay the Capital Provider for Financing or refinancing a Qualified Improvement Project, including, without limitation, any finance charges, fees, debt servicing, interest, penalties, and any other provision relating to the treatment of prepayment or partial payment, billing, collection and enforcement of the assessment and lien securing the Financing.
- 2.14 **"Financing Amount"** means the aggregate amount of the Financing, including interest, any finance charges, fees, debt servicing, costs, and penalties as are described in the Financing Agreement.
- 2.15 **"Financing Term"** means the term of the Financing, as described in the Financing Agreement.

- 2.16 "**Lender**" means a mortgagee, the beneficiary of a deed of trust or other creditor who holds a mortgage, deed of trust, or other Recorded instrument that encumbers the Tract to secure the Financing as security for the repayment of a loan.
- 2.17 "**Lender Consent**" means the instrument by which any Lender consents in writing to the creation of an Assessment and Assessment Lien against the Tract to pay all or a portion of the cost of the installation or improvement of a Qualified Improvement Project. Each consent must be Recorded and once Recorded is binding on the Lender as well as their successors or assigns.
- 2.18 "**Notice of Assessment and Assessment Lien**" means the document executed by the City and Recorded to evidence the Assessment and Assessment Lien, a form of said Notice is attached to the Program Guide.
- 2.19 "**Program**" means the Sparks C-PACE Program created by City through adoption of this Resolution consistent with the Act.
- 2.20 "**Program Administrator**" means the person or entity contracted in writing by the City to assist with the planning and administration of the C-PACE Program.
- 2.21 "**Program Guide**" means the comprehensive document which sets forth standard forms and establishes appropriate guidelines, specifications, and criteria for the underwriting and approval of a Qualified Improvement Project from time to time published by the Program Administrator and approved by the City Program Manager.
- 2.22 "**Property Owner**" means all owners of record of the Tract on which a Qualified Improvement Project is installed.

- 2.23 **"Qualified Capital Provider"** means a Capital Provider approved by the Program Administrator. The term includes any designee, successor, or assign of the entity that provides Financing as the Capital Provider for a Qualified Improvement Project.
- 2.24 **"Qualifying Commercial or Industrial Real Property"** means any real property within the District other than (i) a residential dwelling that contains fewer than five (5) individual dwelling units; or (ii) property financed by a government-guaranteed financing program that prohibits the subordination of the government's interest in the property or otherwise prohibits a contract under the Act and that meets the project eligibility requirements as further defined herein. This term does not include any real property owned by the U.S. Department of Defense pursuant to NRS 271.6315(3).
- 2.25 **"Qualified Improvement Project"** means one or more of an Energy Efficiency Improvement Project, Water Efficiency Improvement Project, Renewable Energy Project, or Resiliency Project which are permanently affixed to real property in an existing structure or in new construction performed pursuant to the Act, that meet the project eligibility requirements as further defined herein.
- 2.26 **"Qualified Service Company"** means a person with a record of established projects or a person with demonstrated technical, operational, financial, and managerial capabilities to design and carry out operating cost-savings measures and other similar building improvements.
- 2.27 **"Record"** and its derivatives mean to record in the official records of the Office of the County Recorder, Washoe County, Nevada.
- 2.28 **"Renewable Energy Project"** means any improvement to real property, and facilities and equipment used to generate electricity from renewable energy to offset customer load in whole or in part on the real property, or to support the production of renewable or thermal energy including, without limitation, energy storage, and all appurtenances and incidentals necessary, useful, or desirable for any such improvements, facilities and equipment, and which improvement has a useful life of not less than ten (10) years.

2.29 **"Resiliency Project"** means a qualified improvement to real property, facilities, or equipment with a useful life of not less than ten (10) years that:

1. Increases a building's structural integrity for seismic events;
2. Improves outdoor air quality;
3. Improves wind or fire resistance;
4. Improves stormwater quality or reduces on-site or off-site risk of flash flooding;
5. Improves or enhances the ability of a building to withstand an electrical outage;
6. Reduces or mitigates the urban heat island effect or the effects of extreme heat;
7. Reduces any other environmental hazard identified by the City of Sparks; or
8. Enhances the surrounding environment in which the real property is located.

2.30 **"The Act"** means Assembly Bill 5 (2017), which was amended by Senate Bill 283 (2021), and is now codified at NRS 271.6312 through .6325, inclusive.

2.31 **"Water Efficiency Improvement Project"** means an improvement to real property, facilities or equipment, and all necessary appurtenances and incidentals thereto, with a useful life of not less than ten (10) years that is designed to:

1. Reduce the water consumption of the real property; or,
2. Conserve or remediate water, in whole or in part, on the real property.

### SECTION 3

#### ADMINISTRATION OF THE C-PACE PROGRAM: CREATION OF DISTRICT, AND GENERAL INFORMATION

3.1 **CREATION OF DISTRICT.** The City Council may create a district by separate resolution and add qualifying commercial or industrial properties to the district pursuant to NRS 271.6315.

- 3.2 **ACCESSIBILITY OF PROGRAM.** The Program Administrator shall formally implement the Program through the creation of a publicly accessible website through which the public may submit applications for the Program.
- 3.3 **PARTICIPATION.** All Property Owners within the future District may apply, at their sole discretion, to participate in the Sparks C-PACE Program for the purpose of installing projects as described herein, pursuant to the requirements set forth in this Resolution.
- 3.4 **PROGRAM ADMINISTRATION.** The City may enter into a contract with a qualified, third-party Program Administrator to assist City staff in the creation and implementation of the C-PACE program. The City may authorize such Program Administrator to perform various tasks in accordance with the Act and this Resolution. The City may delegate authority to Record documents hereunder to the Program Administrator or to the Qualified Capital Provider. The Program Administrator may:
- A. Develop additional Program requirements, forms, consents, and materials, as approved by the City Program Manager.
  - B. Create an application form and approve Property Owner Applications.
  - C. Approve Qualified Service Companies and Qualified Capital Providers.
  - D. Develop the methods to determine Program eligibility requirements including:
    - 1. Loan-to-value and lien-to-value limitations pursuant to NRS 271.6315(2) inclusive;
    - 2. Insurance requirements;
    - 3. Supplemental sources of Financing; and
    - 4. Additional forms of security.
  - E. Conduct market analysis and Program marketing plans.
  - F. Develop Program quality assurance and quality control plan.
  - G. The Program Administrator may adopt such trade name or names under which to operate as the Program Administrator, with the consent of the City Program Manager, as it may from time to time determine.



3.5 **CITY AUTHORITY.** The City Council hereby delegates authority to the City Manager, or his designee, to execute the Assessment Agreement, the Notice of Assessment and Assessment Lien, and the Assignment of Assessment and Assessment Lien. The City Manager, or his designee, in collaboration with the Program Manager, may from time to time amend the Program Guide.

3.6 **SOURCES OF FINANCING.**

- A. Except as provided in Section 3.6(B), Qualified Improvement Projects must be financed or refinanced only through an Assessment and Assessment Lien on the real property that secures the Financing obtained from a Qualified Capital Provider pursuant to a Financing Agreement.
- B. In addition to, but not in lieu of the Financing pursuant to a Financing Agreement, a Qualified Improvement Project may be financed or refinanced through an assessment on the real property to secure bonds issued pursuant to NRS 271.475. Any bond or interim warrant issued for Qualified Improvement Projects may not be used in furtherance or support of a Financing Amount under a Financing Agreement with a Qualified Capital Provider, shall not constitute the debt or indebtedness of the City, shall not be secured by a pledge of the general credit or taxing power of the City or by the surplus and deficiency fund established pursuant to NRS 271.428, and shall be supplemental to a direct financing by a Capital Provider pursuant to a Financing Agreement described in Section 3.6(C) below.
- C. In a Financing through a Qualified Capital provider:
  - i. The City shall assign the Assessment and Assessment Lien to the Qualified Capital Provider pursuant to the form of C-PACE Assignment attached to the Program Guide;
  - ii. The Qualified Capital Provider is solely responsible for the billing, collection, and the enforcement of the Assessment and Assessment Lien; and
  - iii. A Delinquent C-PACE Payment will result in the interest and penalties set forth in the Financing Agreement, and enforcement of a Delinquent C- PACE Payment shall be by judicial foreclosure in the manner of a mortgage.

3.7 **ASSESSMENT AGREEMENT AND FINANCING AGREEMENTS.** Each Property Owner of a Qualifying Commercial or Industrial Real Property or part thereof wishing to be an active and voluntary participant in the Program shall enter into a written voluntary Assessment Agreement with the City, whereby the Property Owner consents in writing to the specific amount of the Assessment and Assessment Lien that will be imposed for the Qualified Improvement Project to secure repayment of the Financing provided by the Qualified Capital Provider for the project and to the Recordation of the Notice of Assessment and Assessment Lien against its real property. Such Property Owner, or its lessee, as applicable, shall enter into a Financing Agreement with a Qualified Capital Provider that sets forth the applicable terms to repay the Financing Amount for a Qualified Improvement Project. A Notice of Assessment and Assessment Lien with the property legal description and Assessment Agreement attached shall be Recorded.

3.8 **WRITTEN CONSENT OF LENDER.** Each Lender on which a Qualified Improvement Project will be located shall provide an executed and notarized Lender Consent in Recordable form. The Lender Consent is binding on the Lender who signs the consent. Each Lender Consent provided, and each amendment thereto, must be Recorded, and once Recorded, is binding on the Lender who signed the consent and any other person or Lender who holds any interest in the Tract to which the Lender Consent relates and such Lender's successors and assigns. The Lender Consent only applies to persons or entities meeting the definition of "Lender" herein as of the date of Recordation of the Notice of Assessment and Assessment Lien.

#### **SECTION 4**

#### **ADMINISTRATION OF THE C-PACE PROGRAM: PROJECT ELIGIBILITY**

4.1 **APPLICATION PROCESSING.** Within the District created, an interested Property Owner, a lessee, or a representative of the Property Owner, may submit an application to the City or its Program Administrator. The Program Administrator will review the application material and determine whether the real property and project meet the C-PACE Program eligibility

requirements contained in the Act, this Resolution, and in the Program Guide. Project applications from interested Property Owners or lessees will be processed on a first come, first serve basis on its own merits and in accordance with the Act, this resolution and the Program Guide and shall only apply to the Tract set forth in the application.

- 4.2 **SIZE THRESHOLDS.** There is no minimum aggregate dollar amount that may be financed under the Program. The maximum aggregate dollar amount that may be financed under the program is subject to the provisions of NRS 271.6315 (2).
- 4.3 **ELIGIBLE PROJECT.** A Qualified Improvement Project located on a Qualifying Commercial or Industrial Real Property is eligible for the Program provided the required audit or feasibility study as described in the Program Guide has been reviewed by the Program Administrator and determined to be feasible with respect to its findings, savings, benefits, and compliance with any provisions within the Act, this Resolution or Program Guide without further action required by the City Council.
- 4.4 **PROJECT ELIGIBILITY NOTIFICATION.** The Program Administrator shall prepare and deliver to the Property Owner a project eligibility notification.

## SECTION 5

### ADMINISTRATION OF THE C-PACE PROGRAM: PROJECT FINANCING

- 5.1 **ROLE OF CITY.** Neither the City nor any authority or other governmental entity whose board is appointed by the City shall lend its credit under this C-PACE Program. Unless otherwise specified in the Program Guide, the role of City shall be limited to:
- A. Executing the written voluntary Assessment Agreement with the Property Owner.
  - B. Executing and Recording the Notice of Assessment and Assessment Lien for the property; and
  - C. Executing the C-PACE Assignment to the Qualified Capital Provider that provides the Financing of the Qualified Improvement Project.

- 5.2 **FINANCING AMOUNTS; FEES AND COSTS.** As described in Section 3.6, Qualified Capital Providers may finance projects under the Program. The Financing Agreement, entered into by a Property Owner or its lessee, as applicable, and Qualified Capital Provider for a Qualified Improvement Project, will specify that aggregate Financing Amount, which shall comprise the total cost of the Qualified Improvement Project(s), as well as interest on that amount during the Financing Term and any other C-PACE Program costs and closing fees. The interest rate of a Financing shall be determined by mutual agreement of Property Owner and Qualified Capital Provider. The amount of a C-PACE Financing shall be fully amortized in the C-PACE Installment Payments over the Financing Term as agreed by the Property Owner or lessee, as applicable and Qualified Capital Provider. Neither the City nor the City Program Manager shall be involved in the negotiation of the Financing Agreement.
- 5.3 **FINANCING TERM.** The Financing Term shall not exceed the useful life of the Qualified Improvement Project or, if the Qualified Improvement Project includes more than one improvement, the weighted average expected life of all Qualified Improvement Projects financed by the Financing Agreement or bond issuance.
- 5.4 **ADMINISTRATIVE FEES.** The City may establish administrative fees to be applied to each financed Qualified Improvement Project. The C-PACE Program will be self-financed, and the Program fees charged to participating Property Owners are designed to cover the start-up and recurring costs to administer the Program. Each financed project administration fee, as approved by the City, and published in the Program Guide, shall be disbursed to the Program Administrator at the closing of Financing by the Qualified Capital Provider.
- 5.5 **FORM OF ASSESSMENT AND FINANCING AGREEMENT.** The Assessment Agreement executed by the Property Owner and the City shall be in substantially the form attached to the Program Guide.

## SECTION 6

### ADMINISTRATION OF THE C-PACE PROGRAM: CLOSING AND LIEN RECORDING

- 6.1 **REPAYMENT MECHANISM.** Financings granted under the C-PACE Program will be repaid by collection of Installment Payments of the Financing Amount by the Qualified Capital Provider as described in Section 7.
- 6.2 **NOTIFICATION OF CLOSING.** Upon closing of Financing, the Program Administrator will promptly provide notice thereof to the City Program Manager, which notice shall include a statement of Financing Amount, executed and notarized Lender Consents, if any, and a copy of the Financing Agreement executed by all parties thereto. The City Program Manager shall provide such documentation to the City Attorney and City Clerk.
- 6.3 **PROMPT LIEN RECORDING.** At the closing of the Financing, the Notice of Assessment and Assessment Lien, with the Assessment Agreement and legal description of the Tract attached as an exhibit, and then the C-PACE Assignment, shall be Recorded in such order. Any amendments thereto must also be Recorded. Prior to closing the Financing, the Property Owner must submit to the Program Administrator and Qualified Capital Provider evidence that: (i) the Property Owner is current on payments of all loans secured by a mortgage or deed to trust lien on the property and on Real Estate Tax payment to the City, (ii) Property Owner and lessee, as applicable are not insolvent or subject to bankruptcy proceedings, and (iii) Property Owner's title to the Tract is not in dispute.

Following Recordation of the C-PACE Assignment, Installment Payments of the Financing Amount shall be billed and shall be collected and enforced by the Qualified Capital Provider or its designee.

## SECTION 7

### ADMINISTRATION OF THE C-PACE PROGRAM: BILLING, REPAYMENT, REMITTANCE, DELINQUENCIES, TRANSFERS & EXIT

- 7.1 **APPLICABILITY.** The Program Guide may specify any necessary or applicable procedures with respect to billing, repayment, remittance, delinquencies, or transfers, and the role of the City, Program Administrator, and/or any Qualified Provider.
- 7.2 **BILLING, REPAYMENT, DISBURSEMENT, REMITTANCE.** Billing, collection, and repayment of the Financing Amount are the sole responsibility of the Qualified Capital Provider in amounts and at such time as described in the Financing Agreement.
- 7.3 **DELINQUENCIES.** Only the current C-PACE Installment Payment and any Delinquent C-PACE Payments shall be prior and superior to all liens, claims, encumbrances, and titles other than the liens and assessments of general taxes pursuant to NRS 361.450. Delinquent C-PACE Payments shall (i) accrue penalties and interest in accordance with the Financing Agreement, and (ii) be enforced in accordance with the Financing Agreement. Foreclosure is the sole responsibility of the Qualified Capital Provider and shall be performed in the manner of a judicial foreclosure of a mortgage.
- 7.4 **TRANSFERS.** The Property Owner subject to an Assessment and Assessment Lien shall assume the obligation to repay all remaining, unpaid C-PACE Installment Payments due under the Financing Agreement (according to the Installment Payment schedule,) whether the transfer of ownership was voluntary or involuntary. Only the current C-PACE Installment Payment and any Delinquent C-PACE Payments, together with any costs of collection under the Financing Agreement, shall be payable at the settlement of a foreclosure sale. C-PACE loans may be transferred, assigned, or sold by a Qualified Capital Provider at any time during the Financing Term without consent from Property Owner, City, or any other party, provided that the Qualified Capital Provider Records a C-PACE Assignment. Recordation of such assignment shall constitute an assumption by the successor Capital

Provider of the rights and obligations contained in the Financing Agreement and the Assessment Agreement, as assigned by the City.

- 7.5 **EXIT.** Any Qualifying Commercial or Industrial Real Property entered into the District shall automatically exit the District upon remittance of the final Installment Payment that terminates the Financing Agreement associated with the recorded lien.

## **SECTION 8**

### **AUTHORITY, REPEALER, VALIDITY & EFFECTIVE DATE**

- 8.1 **AUTHORITY.** The officers of the City are hereby authorized to take all action necessary to effectuate the provisions of this resolution.
- 8.2 **REPEALER.** All bylaws, orders and resolutions, or parts thereof, in conflict with this resolution, are repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, or resolution, or part thereof, previously repealed.
- 8.3 **VALIDITY.** If any section, paragraph, clause, or provision of this resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.
- 8.4 **EFFECTIVE DATE.** The City Council has determined and does hereby declare that this resolution shall be in effect upon its passage in accordance with law.

**PASSED AND ADOPTED** on this 9th day of January, 2023 by the following vote of the City Council:

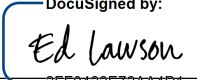
**AYES** Abbott, VanderWell, Anderson, Bybee

**NAYS** \_\_\_\_\_

**ABSENT** Dahir

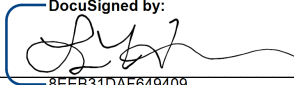
**ABSTAIN** \_\_\_\_\_

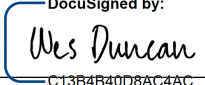
**APPROVED** this 9th day of January, 2023.

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Ed Lawson  
Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

By:   
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Lisa Hunderman  
City Clerk

By:   
\_\_\_\_\_  
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Wes Duncan  
City Attorney



**EXHIBIT A**

(Sparks C-PACE Program Guide)



# PROGRAM GUIDE

VERSION 1.0 – Exhibit A to Resolution 3410

September, 2022

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A program of:



Administered by:



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# OVERVIEW

## BACKGROUND

In 2017 the State of Nevada authorized through Chapter 271 of the Nevada Revised Statutes (“NRS”) cities and counties to implement Commercial Property Clean Energy (C-PACE) programs. The program was initially limited to the financing of Energy Efficiency Improvement Projects and Renewable Energy Projects. However, in 2021, pursuant to Senate Bill 283, the Nevada State Legislature amended and expanded this original enabling legislation to expand the list of Qualified Improvement Projects to also cover the financing of Resiliency Projects and Water Efficiency Improvement Projects. The City, pursuant to Resolution No. 3410 (the “Resolution”), adopted this Program Guide.

## HOW TO USE THIS GUIDE

This guide is intended to inform and guide all parties who participate in the Sparks commercial property assessed clean energy (“Sparks C-PACE” or “C-PACE”) program—including Property Owners, commercial real estate developers, energy efficiency and renewable energy contractors, mortgage holders, Capital Providers, and the community—as to how C-PACE works. This guide is for educational purposes only and does not constitute legal advice. Interested parties should consult with their own attorneys with respect to legal aspects of the C-PACE Program. This Program Guide is effective as of the date on the cover page and amends and restates the prior version of this Program Guide in its entirety as of such date. The prior version of the Program Guide will continue to govern any project approved under the Sparks C-PACE program prior to the date hereof. Capitalized terms used herein but not defined have the meanings given such terms in the Resolution.

## PROGRAM OVERVIEW

C-PACE is designed to help Property Owners of Qualifying Commercial or Industrial Real Property access long term, private-sector financing for the installation of Qualified Improvement Projects.

C-PACE is a “win-win” program that, aside from lowering the utility expenses and increasing the value of improved properties, advances important public policy goals that include reducing energy and water costs, increasing renewable energy deployment, reducing greenhouse gas emissions, improving building resiliency and creating local jobs.

C-PACE Financing is provided by private Qualified Capital Providers in an open market. The Financing is secured through the City’s creation of an Assessment and Assessment Lien. Repayment to the Qualified Capital Provider of the Financing Amount is facilitated through a Financing Agreement between the Property Owner or its lessee, as applicable, and the Qualified Capital Provider. The maximum Financing Term is based on the estimated useful life of the Qualified Improvement Project(s). The Financing itself can cover up to 100 percent of a building’s project cost and often requires no money down.

This combination of benefits means Property Owners, or their lessees can make substantial upgrades to their buildings and, in most cases, the upgraded building is more valuable after a C-PACE project has been completed.

As in many other programs nationwide, C-PACE is also available for new buildings that meet or exceed the requirements of Nevada's new construction energy code (IECC 2018/ASHRAE 90.1-2016). In other states with C-PACE programs, such Financings have proven to be attractive to developers who use it to reduce their project's weighted average cost of capital or fill gaps in their financing plan.

## HOW C-PACE WORKS

C-PACE enables Property Owners of Qualifying Commercial or Industrial Real Property located in the City of Sparks to use private-sector money to finance Qualified Improvement Projects.

C-PACE is economically attractive because it offers (subject to approval by the Qualified Capital Provider) a Financing Amount for a Qualified Improvement Project (a) used to improve or retrofit an existing structure up to 25% of the fair market value of the property assessed, and (b) used to improve a new structure or in a gut rehab up to 35% of the fair market value of the property assessed, in each case as determined by an Appraiser pursuant to the guidelines set forth herein. Repayment is secured by the Assessment and Assessment Lien, similar to a sewer district assessment, which is Recorded against the Tract through a Notice of Assessment and Assessment Lien and billed by the Qualified Capital Provider similar to a special improvement district bill.

Multiple Capital Providers have registered with the C-PACE program to become Qualified Capital Providers to finance Qualified Improvement Projects. Property Owners or lessees, as applicable, can select their preferred Qualified Capital Provider to fund their Qualified Improvement Project(s) at the time of application submittal, or, at the request of a Property Owner or lessee, as applicable, the Program Administrator can solicit financing term sheets from existing Qualified Capital Providers once the project eligibility review has been completed by the Program Administrator.

Capital Providers and their project development partners are encouraged to develop projects for submission to the Program Administrator for approval. In such instances, the Program Administrator will not solicit financing terms from other Qualified Capital Providers and will work solely with the originating Capital Provider or the Capital Provider designated by the Property Owner or lessee, as applicable, so long as the Capital Provider registers with the Program Administrator and meets the qualification criteria in this Program Guide.

From start to finish, C-PACE projects can often be financed within 45 to 90 days. Each application will be reviewed on its own merits and only the Tract identified in the application will be eligible for Qualified Improvement Projects approved through the application.

## PROGRAM BENEFITS

Sparks C-PACE offers multiple benefits to a broad range of stakeholders, including Property Owners, developers, contractors, Capital Providers, mortgage holders, and communities.

### Property Owners

Sparks C-PACE helps Property Owners and lessees reduce their operating costs, improve the value and market competitiveness of their asset, meet energy performance goals, and increase the cash flow from their building. C-PACE does this in several ways:

#### **Up to 100% Financing**

While C-PACE Financing can be attractive to all Property Owners, it is especially so for owners who lack the capital needed to pay for beneficial energy, water, or resiliency improvements. For such Property Owners, C-PACE solves this problem by providing up to 100 percent, long-term financing for Qualified Improvements Projects (subject to approval by the Qualified Capital Provider and Program Administrator). Audit, feasibility study, construction, financing costs, and other project costs could be included in the Financing as described in this Program Guide.

#### **Long-term Financing**

Typically, commercial real estate lenders provide up to 10-year financing for these types of improvements. The longer-term C-PACE Financing (commensurate with the useful life of the improvements which cannot be less than 10 years) fully amortized over the Financing Term allows Property Owners to pursue more capital-intensive, comprehensive energy, water and/or resiliency improvements. The Financing Term cannot be greater than the life of the improvements.

#### **Transfers Upon Sale**

Property Owners who sell their property before the Financing Amount is repaid can transfer the repayment obligation to the next owner.

#### **Cost Recovery**

C-PACE may help solve the split incentive or misalignment of incentives that may arise between Property Owners and lessees. Property Owners are less likely to undertake comprehensive energy, water, or resiliency improvements when their lessees receive the financial benefits in the form of lower utility bills. Under some leases, the C-PACE structure may enable a Property Owner to pass the Financing Amount on to the lessees, potentially solving the split incentive. Property Owners are encouraged to consult with their attorney or accountant on this matter.

### New Construction Project Developers

Property Owners planning to construct a new building can use C-PACE Financing to reduce their owner equity contribution or their need for other types of financing, such as mezzanine financing, and often can lower their weighted average cost of capital. With C-PACE, Property Owners with new builds can access up to 35 percent of the fair market value of the property provided they design the new building to meet or exceed the current Nevada energy code (IECC 2018/ASHRAE 90.1-2016).

### **Contractors**

C-PACE enables a Property Owner to access up to 100 percent long-term financing for the hard and soft costs related to Qualified Improvement Projects (subject to financial underwriting and approval by the Qualified Capital Provider). This long-term financing, which is based on the weighted average useful life of the Qualified Improvement Projects, can make Qualified Improvement Projects much more affordable. This means contractors can close more projects and expand their business. Public bidding, public works and public procurement requirements are not applicable to the construction of Qualified Improvement Projects, and the City is not responsible for the construction or defects or any delays associated therewith.

### **Capital Providers**

C-PACE investments are secured by an Assessment and Assessment Lien placed on the Qualifying Commercial or Industrial Real Property on which the Qualified Improvement Projects are developed through a voluntary Assessment Agreement executed by the City and the Property Owner(s) of record. Upon Recording of the Notice of Assessment and Assessment Lien (to which the Assessment Agreement is attached), the Assessment and Assessment Lien is prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general taxes attached to the Tract pursuant to the provisions of NRS 361.450, and:

- Is senior to all other previously Recorded senior liens of a Lender, provided a written Lender Consent is executed by the applicable Lender and Recorded; and
- Shall run with title to the Tract and shall not be extinguished by the sale of any property on account of the nonpayment of general taxes.

Immediately following the Recordation of the Notice of Assessment and Assessment Lien, an Assignment of the Assessment and Assessment Lien, executed by the City for the benefit of the Capital Provider, is Recorded, by which the City's rights and obligations under the Assessment Agreement are assigned to and assumed by the Qualified Capital Provider, which shall then be solely responsible for billing, collection, and enforcement of the Assessment and Assessment Lien.

Qualified Capital Providers are also encouraged to originate Financings for Qualified Improvement Projects with Property Owners, but a precondition to approval is obtaining and Recording at the closing of the Financing any necessary Lender Consent.

### **Mortgage Holders**

To qualify for Financing, the C-PACE program requires that the Qualified Improvement Projects be supported by written analyses from qualified experts in the field from which the improvement originates as described in the Resolution and the Act.

From the Lender's point of view, a completed C-PACE project has the following key benefits:

- The Lender's loan is more easily repaid due to the borrower's increased cash flow;
- The Tract is more attractive to current and potential lessees or buyers; and
- The Assessment and Assessment Lien does not accelerate. In the event of a default, only the portion of the Financing Amount that is in arrears (together with the current payment and any applicable penalties or fees under the Financing Agreement) is due.



[View a list](#) of financial institutions that have granted consent to C-PACE projects in other parts of the country.

## KEY PARTIES TO A C-PACE TRANSACTION

There are multiple parties to a C-PACE transaction; each plays a distinct role in the process. They include:

<b>Property Owner</b>	All of the owners of record of the Tract on which a Qualified Improvement Project is installed.
<b>Program Administrator</b>	Sustainable Real Estate Solutions, Inc. (SRS).
<b>City</b>	The City's Program Manager.
<b>Capital Provider</b>	<p>Any private entity or the designee, successor or assign of the private entity that provides direct financing for a Qualified Improvement Project pursuant to the Act. The Property Owner, not the Program Administrator, is responsible for selecting the Capital Provider, but the Capital Provider must meet the eligibility criteria in this Program Guide to become a Qualified Capital Provider. Capital providers are responsible for underwriting each Financing to determine whether to invest in a Qualified Improvement Project. Each project will be subject to third-party technical review and eligibility approval by the Program Administrator as set forth in this Program Guide.</p> <p>If a Qualified Capital Provider chooses to invest, it will enter into a Financing Agreement with the Property Owner or the lessee, as applicable. This document details the terms and conditions under which the investment will be made. The Qualified Capital Provider controls disbursements of the Financing. The Qualified Capital Provider will manage billing and collections of the Financing Amount in accordance with the payment schedule included in the Financing Agreement.</p>
<b>Contractors</b>	Any contractor licensed by the City of Sparks and the State of Nevada may perform the work to install the Qualified Improvement Projects. The Property Owner, not the Program Administrator, is responsible for selecting the contractor. None of the City of Sparks, the City's Program Manager, the Sparks C-PACE program, nor the Program Administrator are recommending or endorsing a particular contractor or warranting the reliability of any such contractor.
<b>Appraiser</b>	An appraiser certified in the State of Nevada. The guidelines by which Appraisers shall calculate fair market value of Qualifying Commercial or Industrial Real Property under NRS 271.6325(3) are the Uniform Standards of Professional Appraisal Practice (USPAP) and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

## KEY STEPS TO A C-PACE TRANSACTION

### **Application/Eligibility Determination**

An interested Property Owner or its lessee must submit a C-PACE project application to the Program Administrator. Upon receipt, the Program Administrator will review the application and determine whether the property and project appear eligible for the C-PACE program and issue a preliminary project eligibility notification. Final project eligibility determination will be subject to the Program Administrator's review of the applicant's Energy Audit, written feasibility analysis or other written determination, as applicable, and compliance with the terms and conditions as described in the program requirements section below.

### **Project Scoping**

All applications for Qualified Improvement Projects must be accompanied by a written study that complies with the requirements outlined in the Project Technical Standards and Review section of this Program Guide. Completing the audit/study and developing the scope of work will likely be an iterative process. Depending upon how the overall project has been originated (contractor-driven, owner-driven, developer/consultant-driven), applicants may need assistance navigating this process. In such cases, they should contact the Program Administrator for assistance.

### **Lender Notice/Consent**

C-PACE requires that all parties qualifying as a Lender on or before the effective date of the Assessment and Assessment Lien be notified of the proposed C-PACE transaction and consent to the Assessment and Assessment Lien, including recording notice thereof. The formal written Lender Consent, executed and acknowledged and ready for Recording, must be received before the Program Administrator will authorize the closing of the Financing. The Program Administrator is available to support the Property Owner or lessee, as applicable, in the review of the C-PACE program requirements with a Lender.

### **Underwriting/Approval**

Within the parameters of the Act, the Resolution and this Program Guide, the Qualified Capital Provider will establish the Financing terms and conditions and financial underwriting standards for a Qualified Improvement Project. The Qualified Capital Provider will make its own determination as to whether an investment in a specific project is warranted. Once the underwriting process is complete, the Qualified Capital Provider will issue a conditional approval or financing commitment letter that outlines the terms of the Financing, including any conditions of closing. That agreement will ultimately be memorialized in a Financing Agreement. At a minimum, the Financing Agreement must provide: (1) the Capital Provider with responsibility for billing, collection and enforcement of the Assessment and Assessment Lien; (2) enforcement of the Assessment and Assessment Lien by judicial foreclosure like a mortgage; (3) that acceleration is not an available remedy for enforcement of the Assessment and Assessment Lien; and (4) delinquent installment payments of the Financing Amount will result in interest and penalties only if set forth therein. The terms and conditions of the Act, the Resolution and the Assessment Agreement will control in the event of any conflict between the foregoing and the Financing Agreement.

All Qualified Improvement Projects are owned by the Property Owner, not the Municipality, and must be permanently affixed to the subject real property. This Program Guide shall not restrict Property Owner's right to sell, encumber or lease the Qualified Improvement Project in its discretion. If the Qualifying Improvement Project relates to an existing structure, the Financing Amount may not exceed twenty-five percent (25%) of the fair market value of the Tract assessed "as stabilized" and as determined by an Appraiser. If the Qualifying Improvement Project relates to a new build or gut rehab,

the Financing Amount may not exceed thirty-five percent (35%) of the fair market value of the Tract, determined in the same manner.

Conditions of closing for a Financing will include, but may not be limited to, the consent of the Lender (if any), that procedures for Recording the Notice of Assessment and Assessment Lien and Assignment of Assessment and Assessment Lien have been established, and that a schedule for timely repayment of the Financing Amount has been agreed to by the parties to the transaction.

A copy of the Qualified Capital Provider's approval letter, executed and notarized Lender Consent, draft Assessment Agreement and any outstanding application or project review documents must be submitted to the Program Administrator for final review. Once the Program Administrator has determined that all statutory and program requirements have been met, it will issue a final determination of eligibility to the applicant with a copy to the Qualified Capital Provider.

### **Closing**

Prior to the closing of the Financing, the Property Owner and the City will enter into an Assessment Agreement, in substantially the form attached hereto as Exhibit A, which shall be attached to a Notice of Assessment and Assessment Lien in substantially the form attached hereto as Exhibit B, executed by the City and acknowledged, and the City shall execute and have acknowledged an Assignment of Notice of Assessment and Assessment Lien, in substantially the form attached hereto as Exhibit C (collectively, the "City Closing Documents"). The Program Administrator will coordinate with the City regarding the execution and acknowledgement of the City Closing Documents. The Property Owner shall deliver the City Closing Documents into escrow to be Recorded at the Closing and shall pay any fees owed to the City or Program Administrator through escrow at Closing. The closing of the Financing, which requires that all project approval conditions have been met, will be managed by the Qualified Capital Provider, including the Recording of all the City Closing Documents, which may occur through escrow. The Notice of Assessment and Assessment Lien (with the Assessment Agreement attached) must be Recorded prior to the Assignment of Assessment and Assessment Lien. By accepting the assignment of the Assessment and Assessment Lien, the Capital Provider agrees to assume responsibility for prosecution of said action of foreclosure independent of and without assistance or consent from the City, in accordance with the terms of the Financing Agreement. Subsequently, the Qualified Capital Provider will disburse financed funds to the Property Owner in conjunction with the negotiated funds disbursement schedule set forth in the Financing Agreement.

### **Assessment**

The Financing Amount may cover up to 100% of the cost of the Qualified Improvement Projects, including but not limited to, audits, Energy Audits, feasibility studies, equipment, maintenance, labor, and other costs directly related to the project over the project's life, and any C-PACE program administration costs as described in this Program Guide. The Assessment and Assessment Lien upon Recordation of the Notice of Assessment and Assessment Lien is not subject to any acceleration or extinguishment by the sale of any property on the account of nonpayment of general taxes and shall be assigned to and collected by the Qualified Capital Provider pursuant to the authority granted to the City by the Act upon Recordation of the Assignment of Assessment and Assessment Lien. Installments of the Financing Amount not yet due must not be accelerated or eliminated by foreclosure. In the event of foreclosure, any liens securing the payment of general taxes must be satisfied before any installment payment of the Financing Amount.

The Assessment and Assessment Lien may remain with the Tract upon sale, including in the event of a foreclosure. In the event of default or delinquency, the Assessment and Assessment Lien may be enforced by judicial foreclosure in the manner of a mortgage in accordance with the Resolution and the Act.

At the time of a transfer of property ownership, including by foreclosure, the currently due and all past due balances of the secured Financing Amount together with any penalties or fees assessed under the Financing Agreement shall be due for payment; but future assessment payments shall continue as a lien on the property. The person or entity acquiring title to the Tract in foreclosure or otherwise shall be responsible for installment payments of the secured Financing Amount that become due after the date of such acquisition.

### **Construction/Disbursement**

The Capital Provider is responsible for managing the disbursements of the C-PACE Financing per the terms of the Financing Agreement. The Property Owner or lessee, as applicable, should refer to that agreement to understand the Capital Provider's requirements for periodic inspections, progress payments and change orders.

### **Post-Commissioning Report**

Although not required by the C-PACE program, depending on the size and complexity of the project, the parties may consider a post-construction commissioning report performed by either the party performing the original installation of Qualified Improvement Project or a third party as agreed to in the contractor and Property Owner contract. Such reports typically contain, at a minimum:

- A statement that systems have been completed in accordance with the contract documents, and that the systems are performing as expected.
- Identification and discussion of any substitutions, compromises, or variances between the final design intent, contract documents, and as-built conditions.
- A description of the components and systems that exceed the owner's project requirements and those which do not meet the requirements and why.
- A summary of all issues resolved and unresolved and any recommendations for resolution.

Such post-construction commissioning report costs are eligible to be included in the Financing. The Program Administrator reserves the right to visit project sites to conduct post-construction commissioning oversight to verify the installation is in compliance with this Program Guide.

### **Servicing/Repayment**

Financing granted under the C-PACE program is repaid to the Qualified Capital Provider by the Property Owner or lessee, as applicable, through installment payments as described in the Financing Agreement.

# PROGRAM ADMINISTRATION

## PROGRAM ADMINISTRATION

Sustainable Real Estate Solutions, Inc. (SRS) has been designated by the City to administer the C-PACE program. SRS is responsible for program management and quality assurance, including prospective participants' (e.g., contractors, developers, Capital Providers) application processing, Property Owner, or lessee, as applicable, project application processing, and support services to all C-PACE stakeholders.

## PROGRAM REQUIREMENTS

This section outlines the guidelines that govern all participants in the Sparks C-PACE program. All participants agree to adhere to the terms and conditions of the program requirements.

**District** The Program covers the entire geographic area within the corporate boundaries of the City of Sparks, Nevada.

**Eligible Property** Qualifying Commercial or Industrial Real Property (i.e., any real property within the corporate limits of the District other than (i) a residential dwelling that contains fewer than five individual dwelling units, (ii) property financed by a government-guaranteed financing program that prohibits the subordination of the government's interest in the property or otherwise prohibits a contract under the Act, and (iii) property owned by the U.S. Department of Defense, and that meets the project eligibility requirements as further defined herein or in the Resolution or the Act.

All properties must be current on Real Estate taxes.

**Eligible Applicant** A Property Owner or its lessee who meets all the qualifications established by these guidelines.

**Eligible Project** A Qualified Improvement Project, meaning one of the following:

- Energy Efficiency Improvement Project (i.e., the installation or modification of one or more energy efficiency improvements that decrease or support the decrease of energy consumption or demand for energy through the use of efficiency technologies, products or activities and incidentals that are necessary, useful or desirable for any such improvements, and which installation or modification has a useful life of not less than ten (10) years). Energy Efficiency Improvement Projects must be evidenced by an Energy Audit, including a written analysis of the proposed improvements, performed by a Qualified Service Company.
- Renewable Energy Project (i.e., any improvement to real property and facilities and equipment used to generate electricity from renewable energy to offset customer load in whole or in part on the Real Property or to

support the production of renewable or thermal energy, including, without limitation, energy storage and all appurtenances and incidentals necessary, useful or desirable for such improvements, facilities and equipment and which improvement has a useful life of not less than ten (10) years). Renewable Energy Projects must be evidenced by the opinion of a Qualified Service Company and supported by a written feasibility study. The Renewable Energy Project must not be used to sell or distribute renewable energy between Tracts unless the Renewable Energy Project is located on more than one (1) contiguous Tract, then it may be used to service the entire structure on the Real Property that is subject to the Assessment and Assessment Lien.

- Resiliency Project (i.e., an improvement to real property, facilities or equipment with a useful life of not less than ten (10) years that increases a building's structural resiliency for seismic events, improves indoor air quality, improves wind or fire resistance, improves stormwater quality or reduces on-site or off-site risk of flash flooding, improves or enhances the ability of a building to withstand an electrical outage, reduces or mitigates the urban heat island effect or the effects of extreme heat, reduces any other environmental hazard identified by a municipality, or enhances the surrounding environment in which the real property is located). A Resiliency Project must be evidenced by the opinion of a licensed professional in the field of resiliency projects and approved by the Jurisdiction pursuant to NRS 271.6325.
- Water Efficiency Improvement Project (i.e., an improvement to real property, facilities or equipment and all necessary appurtenances and incidentals thereto with a useful life of not less than ten (10) years that is designed to reduce the water consumption of the real property or conserve or remediate water in whole or in part on the real property). A Water Efficiency Improvement Project must be evidenced by the opinion of a Qualified Service Company in a written analysis.

### **Energy Audit**

An "Energy Audit" is a formal evaluation of the energy consumption of a permanent building or any structural improvement to real property that is consistent with the requirements of ASTM International Standard E2797, "Standard Practice for Building Energy Performance for a Building Involving a Real Estate Transaction," the ASHRAE Level 2 or 3 guidelines for energy audits or any comparable energy assessment guidelines, as applicable.

A "Qualified Service Company" means a person with a record of established projects or a person with demonstrated technical, operational, financial, and managerial capabilities to design and carry out operating cost-savings measures and other similar building improvements.

### **Program Eligibility**

There is no program required minimum project dollar amount which may be financed. Any Qualified Improvement Project is owned by the Property Owner not the Municipality and must be permanently affixed to the subject real property. If the Qualifying Improvement Project relates to an existing structure, the Financing Amount may not exceed twenty-five percent (25%) of the fair market value of the Tract assessed as determined by an Appraiser. If the Qualifying Improvement Project relates to a new build or gut rehab, the Financing Amount may not exceed thirty-five percent (35%) of the fair market value of the real property, determined by an Appraiser.

The outstanding amount owed on all Recorded instruments which are liens against the Tract, including the Financing Amount, may not exceed ninety percent (90%) of the estimated fair market value of the Tract assessed, as determined by an Appraiser.

### **Security**

A C-PACE Financing is secured by an Assessment and Assessment Lien Recorded against an eligible property, that:

- Is not subject to any acceleration or extinguishment upon the sale of any property on account of the nonpayment of general taxes;
- As to the current C-PACE installment payment that is due and any Delinquent C-PACE Payments, is prior and superior to all liens, claims, encumbrances, and titles other than the liens and assessments of general taxes pursuant to NRS 361.450 (provided a written Lender Consent is executed by each Lender) and shall run with title to the property.

### **Eligible Costs**

Eligible costs to include in the Financing include the costs of:

- Energy Audits, feasibility studies and other written analyses,
- Qualified Improvement Project(s), including materials and labor for installation or modification thereof,
- Improvements that are directly related to the installation of Qualified Improvement Projects (for example, the cost of a roof replacement to support a roof-mounted solar photovoltaic installation),
- Commissions, closing fees, inspection fees, financing origination fees, interest, and other C-PACE program costs.
- Permit and inspection fees of the City,
- Program administrative fees,
- Project development, architectural and engineering fees,
- Third-party review fees,
- Capitalized interest under the Financing Agreement,
- Interest reserves under the Financing Agreement,
- Escrow for prepaid property taxes and insurance, and
- Any other fees or costs that may be incurred by the applicant incident to the installation, modification, or improvement of a Qualified Improvement Project.

<b>Maximum Term</b>	Financing Term shall not exceed the expected useful life of the Qualified Improvement Project or, if the Qualified Improvement Project includes more than one improvement, the weighted average expected life of all Qualified Improvement Projects financed by the Financing Agreement.
<b>Amortization</b>	The Financing Amount shall be fully amortized in the installment payments over the Financing Term as agreed to in the Financing Agreement.
<b>Billing and Payment</b>	The billing of installment payments of the Financing Amount will be managed by the Qualified Capital Provider in accordance with the terms of the Financing Agreement. Installment payments will be remitted by the Property Owner or lessee, as applicable, to the Qualified Capital Provider.
<b>Evidence of Ownership</b>	A title report is required prior to closing of the Financing to show evidence of ownership and all encumbrances Recorded against the subject property.
<b>Written Consent of Program Participants</b>	Each person or entity meeting the definition of “Lender” on or before the effective date of the Assessment and Assessment Lien shall consent in writing to the placing of the Assessment and Assessment Lien against the Tract to pay all or a portion of the cost of the Qualified Improvement Project. A signed Lender Consent must be in a Recordable form and is binding on the Lender who signs the consent and its successors and assigns.  Each Lender Consent and any amendment thereto must be Recorded, and, once Recorded, is binding on the Lender who signed the consent and any other who holds any interest in the Tract to which the Lender Consent relates.
<b>New Construction</b>	New construction projects are eligible for the Program. See the Project Technical Standards and Review, New Construction Requirements section below for details.

## RETROACTIVE/REFINANCING

Qualified Improvement Projects include the refinancing of existing properties that have had Qualified Improvement Projects installed and completed no more than three (3) years prior to the date of Project Application.

## PARTICIPATION IN REBATE/INCENTIVE PROGRAMS

Although not required, the C-PACE program encourages Property Owners to pursue all available federal investment tax credits, utility rebates, and incentive programs. Rebates and incentive programs provide participants with cash payments or tax credits for implementing energy, water, and resiliency improvements, thereby reducing overall project costs and the total amount the Property Owner or lessee, as applicable, will need to finance. Rebate and incentive programs can also act as a third-party check on the validity of the proposed improvements.



NV Energy's (NVE) Business Energy Services program offers technical assistance and cash incentives for energy efficient equipment and lighting products that save energy and lower utility bills. For further information or to view application documents visit the [Retrofit for Existing Buildings](#) resources webpage. Moreover, NVE offers a Solar Incentives program, including an up-front installation incentive for solar PV systems that generate up to 25 kilowatts (kW) of electricity. Alternatively, Production-Based Incentives are available for systems that generate more than 25 kW and up to 500 kW. For more information visit the [Solar Incentives webpage](#).

Southwest Gas Commercial Services program offers energy efficiency rebates and promotions on qualifying natural gas equipment. For further information access the [rebates and promotions search tool](#).

Energy Audits submitted for C-PACE project eligibility can include applicable utility incentives or rebates. Such incentives can lower the cost of eligible energy improvements, reducing the required amount financed. Contact the Program Administrator for further information.

## PROGRAM PARTICIPATION FEE

The Sparks C-PACE program is designed to be self-sustaining. The program administration fee charged to participants is intended to cover the startup and recurring operating costs associated with administering the program. The following fee shall be collected at Closing by the Program Administrator to offset its costs and the City's costs associated with administering the program.

- One-time Fee: A one-time program administration fee equal to 2.6 percent of the Financing Amount, not to exceed \$75,000 per Financing, is applied to each Qualified Improvement Project. Such fee shall be disbursed to the Program Administrator at the Closing of Financing by the Qualified Capital Provider.

Project Financing interest rates and any applicable Qualified Capital Provider closing fees will be set by the Qualified Capital Provider in the Financing Agreement.

## ELIGIBILITY (PROPERTY AND PROJECT)

### ELIGIBLE PROPERTIES & PROJECTS

Properties eligible for Sparks C-PACE Financing must be located within the boundaries of the City of Sparks, i.e., the District, and be a Qualifying Commercial or Industrial Real Property. In addition, a property must:

- Be current on Real Estate Taxes;
- Be current on all loans secured by a mortgage or deed of trust;
- Not be insolvent or subject to bankruptcy proceedings; and
- Not be in dispute of title to the property.

New construction is also eligible. See requirements on the next page.

### ELIGIBLE IMPROVEMENTS

The examples included in this section are not all-inclusive and are expected to change over time. If a proposed improvement or expense is not on this list, contact the Program Administrator with a description of the improvement or expense for consideration.

Energy Efficiency Improvement Projects. Examples include, but are not limited to:

- Automated building controls (BMS, EMS)
- Boilers, chillers, and furnaces
- Building envelope (insulation, glazing, windows, etc.)
- Combined heat and power (CHP) systems
- Fuel cells
- High-efficiency lighting
- Hot water systems
- HVAC upgrades
- Roof replacement that improves energy efficiency (reflective/cool roof, enhanced insulation, or combined with a solar system installation)
- Variable speed drives on motors, pumps, and fans
- Waste heat recovery technologies.

Renewable Energy Projects. Examples include:

- Geothermal systems
- Hydroelectric systems
- Small wind systems
- Solar photovoltaic (roof upgrade/replacement for rooftop systems is also eligible)
- Solar thermal.

Resiliency Projects. Examples include:

- Indoor air quality systems
- Seismic retrofits
- Stormwater systems that reduce on-site or off-site risk of flash flooding
- Wind and fire resistance.

Water Efficiency Improvement Projects. Examples include:

- Irrigation systems that improve water efficiency.
- Water efficient fixtures (low-flow faucets, toilets, etc.).

## NEW CONSTRUCTION

In addition to existing building retrofits, C-PACE provides a compelling financing opportunity for new construction in Sparks. This attractive C-PACE financing structure can unlock capital to enable a Property Owner or lessee to achieve higher building performance—improvements that are often “value engineered” out of a project. C-PACE new construction financing may also reduce the Property Owner or lessee’s, applicable, equity contribution, the need for mezzanine financing or other types of new construction financing, thereby reducing the weighted average cost of capital.

When applying for C-PACE financing for a new construction project the applicant must demonstrate using whole-building energy modeling that the as-designed modeled energy performance will meet or exceed the code compliant modeled energy baseline. The existing Sparks energy code is IECC 2018/ASHRAE 90.1-2016.

# PROJECT TECHNICAL STANDARDS AND REVIEW

## AUDIT REQUIREMENTS

As a condition of financing Qualified Improvement Projects, C-PACE requires the performance of a specific technical review depending on the improvement.

For an Energy Efficiency Improvement Project, the project must be determined to be appropriate by the Program Administrator through an Energy Audit conducted by a Qualified Service Company. An existing building retrofit project may be determined to be appropriate if the Energy Audit contains, at a minimum:

- Description of the real property and the proposed project;
- Baseline utility consumption and cost data, including the most recent 12 months of electricity and fuel utility bills;
  - A copy of a recent electricity and fuel utility bill to verify the utility rate schedule;
  - If utility billing data is unavailable, and energy modeling is used to establish baseline energy use, provide supporting documentation used to inform the model;
- Description of the energy conservation measures (ECMs), including manufacturer's equipment data sheets, including the effective useful life (EUL) for each ECM;
- Estimated cost of each ECM, including related costs eligible for C-PACE Financing, and applicable utility incentives or rebates; and
- Projected annual energy savings for each ECM, expressed in British thermal units, kilowatt-hours, and kilowatts, including supporting documentation, e.g., live spreadsheets, or dynamic building simulation input files/output reports detailing the savings calculation methodology and key assumptions (e.g., annual utility cost escalation and equipment performance degradation factors) commensurate with the project's complexity level.

For a Renewable Energy Project, the project must be determined to meet the definition of Renewable Energy Project by a Qualified Service Company, supported by a written feasibility study.

The feasibility study shall provide technology and financing recommendations that a Property Owner or lessee, as applicable, should pursue. Ultimately, the feasibility study must provide enough information for the Property Owner or lessee, as applicable, and design team to make informed decisions about the types of technologies to include in the final project design. Such analysis should contain, at a minimum:

- Description of the real property and the proposed project, including a schematic of solar photovoltaic (PV) system design and interconnection;
- Baseline electricity consumption and cost data, including the most recent 12 months of electricity utility bills;
  - A copy of a recent electricity utility bill to verify the utility rate schedule;
  - If utility billing data is unavailable, and energy modeling is used to establish baseline energy use, provide supporting documentation used to inform the model;
- Description of the solar PV system, e.g., panels and inverters, including manufacturer's equipment data sheets, and the effective useful life (EUL) for each component;
- Projected annual energy production from the PV system, including supporting documentation from modeling applications, e.g., PVWatts®, Aurora, HelioScope or similar solar PV system

software, with key assumptions (e.g., annual utility cost escalation and equipment performance degradation factors);

- Estimated cost of the solar PV system, including the inverter(s) and related costs eligible for C-PACE Financing, and applicable utility incentives, rebates or renewable energy credits;
- Warranty information to validate the inverter(s) EUL is commensurate with the term of Financing;
- Investment tax credit and MACRS accelerated depreciation supporting documentation;
- Shading study describing level of shading present and basis for the calculations, where applicable; and
- For roof-mounted systems:
  - Written professional opinion from a roofing specialist regarding roof condition and estimate of remaining roof useful life; and
  - Written professional opinion from a structural engineer regarding the ability of the existing structure to support the solar PV system.

For Resiliency Projects, the project must be determined to be appropriate by the Program Administrator through a feasibility study conducted by a licensed professional in the relevant field of the Resiliency Project. For example:

- An architect registered pursuant to chapter 623 of NRS;
- A landscape architect registered pursuant to chapter 625 of NRS;
- A professional engineer licensed pursuant to chapter 625 of NRS;
- An environmental health specialist that has a certificate of registration pursuant to chapter 625A of NRS;
- A land use planner certified by the American Institute of Certified Planners;
- Other licensed professionals applicable to a specific Resiliency Project.

Project applicants are responsible for all costs and fees incurred to complete the C-PACE program application, including costs associated with an Energy Audit, feasibility study or other requirements. While such costs are typically included in the Financing, in cases where the project does not move forward, the applicant will be responsible for any payments due to contractors or other third parties engaged by the Property Owner or lessee, where applicable.

# PROPERTY OWNER PARTICIPATION AND PROCESS

## BENEFITS

Many Property Owners lack the capital they need to pay for Qualified Improvement Projects, which means many beneficial projects never get off the ground. The C-PACE program benefits Property Owners by providing access to affordable, long-term capital at competitive rates. C-PACE Financing:

- Requires no upfront, out-of-pocket costs;
- Provides long-term financing;
- Lowers energy costs;
- Generates positive cash flow;
- Improves lessee or employee comfort; and
- Can transfer to the next owner if the building is sold.

## ELIGIBILITY

The Property Owner of a Qualifying Commercial or Industrial Real Property located in the District is eligible to participate in the C-PACE program. Owners of nonprofits, e.g., houses of worship and private schools and universities, may also be eligible.

Note that as is typical of any commercial loan, the Qualified Capital Provider financing the project may request the following information<sup>1</sup> to support their underwriting efforts:

- A copy of the most recent mortgage statement and appraisal;
- The current year (year-to-date) income/expense statement for the real property;
- The previous two years' income/operating statements, statements of cash flows, and balance sheets for the real property;
- The previous two years audited (if available) income/operating statements, statements of cash flows, and balance sheets (audited or reviewed, if available) for the lessees' business;
- A table listing all lessees, their monthly (or annual) lease payments, the percentage of the building they occupy, and the end date of their existing leases; and/or
- The previous year's federal tax returns if the Property Owner is planning to claim the value of the federal Investment Tax Credit or MACRS depreciation.

## PROCESS

To get started, Property Owners or lessees, as applicable, work with a Qualified Service Company of their choice to perform required eligibility studies. Property Owners or lessees, as applicable, can select one or more registered contractors from the program's [directory](#) or ask a preferred contractor to register with the program to construct the Qualified Improvement Project. The City and its Program Administrator make no representations or warranties with respect to registered contractors and does not qualify or evaluate registered contractors.

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<sup>1</sup> This list is only a guide. At the discretion of the capital provider the provider may not require some of the items listed and/or may request and require other information not included in this list.

The owner should request the contractor to review the building's energy efficiency opportunities and discuss the improvements that would benefit their building.

Next, the Property Owner lessee, as applicable, will submit a project [application](#). Once the project has been reviewed for eligibility by the Program Administrator, the contractor and the Property Owner or lessee as applicable work together to determine the final project scope, optimized for C-PACE Financing. Such process typically analyzes the following data:

- Key assumptions that support the technical and financial analytics;
- Costs of the Qualified Improvement Projects;
- Projected energy use and cost savings; and
- Projected cash flows.

Once the final project scope has been determined, the Property Owner selects a Qualified Capital Provider of its choice to enter into a Financing Agreement. In cases where the Property Owner has not pre-selected a Capital Provider, the Program Administrator can share pre-approved project information with Qualified Capital Providers for their determination of project funding interest.

View the [Capital Provider Directory](#).

# NEW CONSTRUCTION DEVELOPER PARTICIPATION AND PROCESS

## NEW CONSTRUCTION PROJECTS

The C-PACE Financing structure can unlock capital to enable a Property Owner or lessee to achieve higher building performance—improvements that are often value-engineered out of a project.

## BENEFITS

Property Owners planning to construct a new building can use C-PACE Financing to reduce their weighted average cost of capital. With C-PACE, Property Owners can access C-PACE Financing in an amount not to exceed thirty-five percent (35%) of the fair market value of the real property, determined by an Appraiser, provided they design the new building to meet or exceed the current City of Sparks energy code (IECC 2018/ASHRAE 90.1-2016).

Financing is provided by private Capital Providers in an open market. This means you can choose the most competitive rates and terms. The C-PACE Financing is secured by an Assessment and Assessment Lien that Recorded against real property, similar to a sewer district assessment. You can transfer the assessment to a new owner if you sell the property.

## ELIGIBILITY

Property Owners, including nonprofits such as houses of worship, private schools and universities, planning new Qualifying Commercial or Industrial Real Property, can take advantage of the C-PACE program.

## PROCESS

Once a project [application](#) is received, the Program Administrator will coordinate as needed with the parties involved. The purpose of this coordination is to understand the project, review C-PACE requirements (particularly with respect to building energy simulation modeling) and ensure consistency with potential utility incentives.

Applicants are required to provide total Qualified Improvement Project construction cost by trade component. The applicant will also be required to demonstrate using whole-building energy modeling that the as-designed modeled energy performance will meet or exceed the code compliant modeled energy baseline. The existing Sparks energy code is IECC 2018/ASHRAE 90.1-2016. The C-PACE eligible finance amount for a building that meets or exceeds the code compliant baseline will be up to a maximum of 35% of the fair market value of the building “as stabilized,” as determined by an Appraiser.

[View a list](#) of frequently asked questions.



# CONTRACTOR PARTICIPATION AND PROCESS

## BENEFITS

Many Property Owners lack the capital they need to pay for Qualified Improvement Projects, which means many of the projects that contractors propose never get off the ground. Fortunately, there is a new way for Property Owners of Qualifying Commercial or Industrial Real Property can finance such projects, and it's proving to be extremely attractive. It's called C-PACE, and it enables you to propose to your customers projects that could have 6 unique and compelling features:

- Requires no upfront, out-of-pocket costs;
- Provides long-term financing;
- Lowers energy or water costs or improved resiliency;
- Generates positive cash flow;
- Improves lessee or employee comfort;
- Can transfer to the next owner if the real property is sold.

This innovative, government-sponsored program paired with private financing has been shown to remove the barriers that often stall jobs. As a result, projects get off the ground more quickly—and grow your business in the process.

## ELIGIBILITY

Any independent contractor with a contractor license in the State of Nevada with applicable local licenses is eligible to become a C-PACE-registered contractor. The City, the City's Program Manager, the Sparks C-PACE program and its Program Administrator are not recommending or endorsing any specific contractor or warranting the reliability of any such contractor. Nevertheless, a Property Owner or lessee, as applicable, is free to select their own contractor, provided that it holds appropriate licenses.

## HOW TO REGISTER

Contractor registration is a simple, two-step process. First, a contractor must attend a training session to learn about the benefits of the C-PACE program, how it works, and how to access the free support services offered by the program administrator. Visit the program website to see the [training workshop schedule](#). Next, the contractor must fill out and submit a short [application](#), which the program administrator will use to verify that the contractor meets the program's requirements. To participate in the C-PACE program, the contractor must:

- Attend a training workshop;
- Hold all applicable state and local licenses, and provide a copy of such licenses to the Program Administrator; and
- Apply to, and be approved by, the Program Administrator.

Once the Program Administrator confirms that the contractor is eligible to participate in C-PACE, the firm is notified and listed on the program's website. Note that Property Owners and lessees can select the contractor of their choice, provided the contractor meets the C-PACE requirements.

Contractors who are not yet registered but who have projects they wish to propose for C-PACE Financing should contact the Program Administrator, submit the project for pre-screening, and register for the next available contractor training event. Simultaneous registration and project pre-screening will minimize project delays.

Each registered contractor shall be and remain licensed, authorized to conduct business, and in good standing in all jurisdictions in which it conducts business, including in the City of Sparks and the State of Nevada, and shall have the legal authority and power to offer, sell and/or install improvements that are permanently affixed to real property. Each registered contractor shall comply with all applicable municipal, state and federal laws and regulations in the sale, provision, installation and financing of improvements and professional services.

The C-PACE program makes no assurance that any person or entity will gain additional business or any other business advantage from being a registered contractor and assumes no liability. Each registered contractor waives the right to bring or assert any claim against the C-PACE program and its vendors relating to its registration, and releases C-PACE and its vendors from any and all liability. The C-PACE program reserves the right to remove a registered contractor from the program for any reason or no reason.

## PROCESS

Qualified Service Companies will work with the Property Owner or lessee, as applicable, the registered contractor and Program Administrator to:

- Select and prequalify buildings;
- Perform preliminary project scoping;
- Prepare proposals and review them with the Property Owner;
- Develop and optimize project scenarios;
- Conduct project technical reviews; and
- Install Qualified Improvement Projects.

## TECHNICAL SUPPORT

A C-PACE project can be complex because it requires the use of sophisticated technical and financial projections that require the participation of multiple stakeholders. For this reason, C-PACE-registered contractors and Qualified Service Companies may receive limited technical support at no cost from the Program Administrator. Services include:

- Discussing projects for C-PACE Financing suitability;
- Preparing financial and savings calculations; and
- Attending meetings with Property Owners to explain the program benefits and technical calculations.

Contractors should contact their own accountants, attorneys, or other consultants for any additional support needed.

[View a list](#) of frequently asked questions.

[View a directory](#) of C-PACE-registered contractors.

# CAPITAL PROVIDER PARTICIPATION AND PROCESS

## BENEFITS

A C-PACE Financing is secured by an Assessment and Assessment Lien Recorded against an eligible property, that:

- Is not subject to any acceleration or extinguishment upon the sale of any property on account of the nonpayment of general taxes;
- As to the current C-PACE installment payment that is due and any Delinquent C-PACE Payments, is prior and superior to all liens, claims, encumbrances, and titles other than the liens and assessments of general taxes pursuant to NRS 361.450 (provided a written Lender Consent is executed by each Lender) and shall run with title to the property.

As a result, Capital Providers who work with the C-PACE program may receive attractive project funding opportunities.

## ELIGIBILITY

The C-PACE program seeks to stimulate the market through an open-access-to-capital model. For this reason, C-PACE is open to all Capital Providers that meet the program's eligibility criteria. By establishing Capital Provider eligibility criteria, the City, the City's Program Manager, the Sparks C-PACE program and its Program Administrator are not recommending or endorsing any specific Capital Provider or warranting the reliability of any such Capital Provider.

## HOW TO QUALIFY

Capital Providers with an interest in financing Qualified Improvement Projects in the C-PACE program are encouraged to download, complete, and return the Capital Provider application. You may download this application [here](#). Once the application is reviewed and approved (the approval process can take up to 10 business days), the Capital Provider can choose to have its name and logo displayed on the C-PACE website for marketing purposes. By establishing Capital Provider registration, the City and its Program Administrator are not recommending or endorsing any specific Capital Provider.

Qualified Capital Providers, which provide Financing to eligible Property Owners, are responsible for underwriting each C-PACE Financing transaction to determine whether or not to invest in a project. Each project will be subject to technical review by the Program Administrator to confirm eligibility per the Act, the Resolution and the Program Guide.

If a Qualified Capital Provider chooses to finance a project, it will enter into a Financing Agreement with the Property Owner or lessee, as applicable. This document details the terms and conditions under which the Financing will be made. The billing of installment payments of the Financing Amount will be managed by the Capital Provider and will be remitted by the Property Owner or lessee, as applicable, to the Capital Provider.

The eligibility criteria for Capital Providers pursuant to NRS 271.6325(3) are: Each Qualified Capital Provider shall be and remain licensed, authorized to conduct business, and in good standing in all jurisdictions in which it conducts business, including in the City of Sparks and the State of Nevada, and shall have the legal authority and power to provide financing for the installation of Qualified Improvement Projects that are permanently affixed to real property. Each Qualified Capital Provider shall comply with all applicable municipal, state, and federal laws and regulations in the financing of Qualified Improvement Projects and in providing professional services.

The C-PACE program makes no assurance that any person or entity will gain additional business or any other business advantage from being a Qualified Capital Provider and assumes no liability. The C-PACE program reserves the right to revoke the eligibility of any Capital Provider for any reason that the City or its Program Administrator finds to be in violation of the program's mission and practices.

## WAYS TO PARTICIPATE

Qualified Capital Providers can participate in C-PACE in two ways:

1. Work with Property Owners to underwrite projects and help them prepare their application for Program Administrator approval. We encourage Capital Providers to register with the program and become Qualified Capital Providers *prior* to submitting a project application.
2. Collaborate with the Program Administrator to evaluate funding opportunities. In some instances, Property Owners or lessees may apply for C-PACE without a pre-selected Capital Provider. In this case, the Program Administrator will share pre-approved project information with Qualified Capital Providers for their determination of project funding interest.

View a list of [frequently asked questions](#) or the [Capital Provider Directory](#).

## MORTGAGE HOLDER PARTICIPATION AND PROCESS

### BENEFITS

Building upgrades are designed to generate cost savings that will, over the effective useful life of the improvements, result in improved net operating income, increased asset value, and a positive return on their investment. As a result of the Property Owner or lessee's increased cash flow, the Lender's loan is more secure, and the property is more attractive to current and potential lessees and buyers. In addition, acceleration is not a remedy for the Capital Provider to enforce its lien as already described.

Across the country, commercial property assessed clean energy programs have been embraced by more than 170 national, regional, and local mortgage holders. [View a list](#) of consenting mortgage holders.

### PARTICIPATION

The C-PACE program provides up to 100 percent financing to Property Owners and lessees of new and existing buildings, located in the City of Sparks, who are looking to modernize and improve the value of their Qualifying Commercial or Industrial Real Property.

A C-PACE Financing is secured by an Assessment and Assessment Lien Recorded against an eligible property, that:

- Is not subject to any acceleration or extinguishment upon the sale of any property on account of the nonpayment of general taxes;
- As to the current C-PACE installment payment that is due and any Delinquent C-PACE Payments, is prior and superior to all liens, claims, encumbrances, and titles other than the liens and assessments of general taxes pursuant to NRS 361.450 (provided a written Lender Consent is executed by each Lender) and shall run with title to the property.

As a result, the C-PACE program requires Property Owners to obtain the written consent of all persons and entities who qualify as "Lenders" on or before the effective date of the Assessment and Assessment Lien prior to securing C-PACE Financing.

### PROCESS

A Property Owner or lessee who wishes to pursue C-PACE Financing will, often in collaboration with the Program Administrator, seek a meeting with a Lender. At the meeting, the Property Owner, lessee or Program Administrator will describe the program's requirements and answer the Lender's questions. In addition, the Program Administrator will provide a description of the independent quality assurance technical review process.

Assuming all parties agree that a project is worth pursuing, the project will move to development and underwriting. As part of the underwriting process, the Program Administrator will support the Lender's project review, as needed.

## CONSENT

Once the Property Owner and lessee, if applicable, are satisfied with project design and cost, the Program Administrator will review the scope of work and, assuming it meets program eligibility requirements, make a determination that it is eligible for financing under the Act, the Resolution and the Program Guide.

The Property Owner will then meet with the Lender to provide a summary of the project's key assumptions. To facilitate the Lender's due diligence process, this review will include a description of the equipment to be replaced, the projected financial metrics, and the enhanced cash flows that will result from the Qualified Improvement Projects.

Upon consent request approval, a Lender will execute a Lender Consent and return it to the Property Owner (borrower) enabling the Property Owner or lessee, as applicable, to proceed with the C-PACE Financing.

Each Lender Consent will be Recorded, and once Recorded is binding on the Lender who signed the Lender and any other person who holds any interest in the Tract to which the Lender Consent relates.

## GENERAL TERMS AND PROVISIONS

### TAXES

Property Owners are solely responsible for any local, state, or federal tax consequences of their participation in the C-PACE program.

### CHANGES IN THE PROGRAM TERMS; SEVERABILITY

C-PACE reserves the right to change this Program Guide and the terms and provisions set forth within at any time without notice in compliance with the Resolution and the Act. The Financing Agreement executed between the Property Owner or lessee, as applicable, and the Capital Provider, and the Assessment Agreement between the Property Owner and the City, establish the Property Owner's and lessee's, if applicable, rights. This Program Guide is only a reference document.

### DISCLOSURE OF PROPERTY OWNER INFORMATION

Applicants acknowledge and agree that the City is subject to State of Nevada public records and reporting requirements and therefore agree to allow the City and the Program Administrator to disclose personal/corporate information to third-parties when such disclosure is essential to the operation of the Program, required by applicable law, or necessary to provide services to the Applicant. Neither the City nor the Program Administrator will provide applicant information to third parties for telemarketing, email, or direct mail solicitation purposes.

### RELEASES AND INDEMNIFICATION

By submitting an application, the applicant acknowledges that C-PACE was formed solely to help applicants finance Qualified Improvement Projects. C-PACE is a financing program only and is not responsible for the installed Qualified Improvement Projects or their performance. Property Owners are responsible for payment of Financing Amount regardless of whether the products are properly installed or operate as expected. Neither the City, its Governing body, its officers or employees, or its Program Administrator are personally liable as a result of exercising any rights or responsibilities granted under the Program other than for their willful misconduct. The City shall not pledge, offer, or encumber its full faith and credit under the Program. The City shall not be liable for any amounts due related to a Qualified Improvement Project approved pursuant to the Program.



**EXHIBIT A**  
**FORM OF ASSESSMENT AGREEMENT**

# Assessment Agreement for C-PACE Financing

## City of Sparks, Nevada

This ASSESSMENT AGREEMENT for C-PACE FINANCING (this “Assessment Agreement”) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Effective Date”) by and between the City of Sparks, Nevada (the “Jurisdiction”), and [INSERT OWNER NAME] (the “Property Owner”). Capitalized terms used herein but not otherwise defined have the meanings ascribed such terms in the Resolution (as defined below).

### RECITALS

WHEREAS, the Jurisdiction, on [INSERT DATE], established the Sparks Commercial Property Assessed Clean Energy Program (the “Program”) through the adoption of Resolution No. 3410 (the “Resolution”), which provides for the financing of one or more Qualified Improvement Projects on Qualifying Commercial or Industrial Real Property in the City of Sparks Energy Efficiency District (the “District”) through the creation of a contractual Assessment and Assessment Lien pursuant to Assembly Bill 5 (2017), which was amended by Senate Bill 283 (2021), and is now codified at NRS 271.6312 through .6325, inclusive<sup>1</sup> (as may be amended from time-to-time, the “Act”);

WHEREAS, the purpose and method of approval of Financing under the Program are described in the Program Guide attached to the Resolution, as the same may have been amended from time-to-time prior to the Effective Date;

WHEREAS, Property Owner is the owner of fee title of that certain Tract identified on Exhibit A attached hereto and incorporated herein by this reference (the “Property”);

WHEREAS, Property is located within the District, and the Jurisdiction has consented to owners of eligible properties within its jurisdiction participating in the Program;

WHEREAS, [ENTITY NAME] is a lessee of Property Owner at the Property and is the applicant for the Program, and Property Owner wishes to consent to participation of the Property in the Program pursuant to this Assessment Agreement;

WHEREAS, Property Owner has applied as the applicant for the Program and wishes to enter into this Assessment Agreement to document the terms and conditions of such participation;]<sup>2</sup>

WHEREAS, the subject application for the Program, including a description of the Qualified Improvement Projects to be acquired, constructed on and/or installed on the Property together with evidence of eligibility for the Program as required by the Act, the Resolution and the Program Guide, has been deemed by the Program Administrator to be complete;

WHEREAS, the Program Administrator has reviewed such application materials to assess compliance with the Act, the Resolution and Program Guide, and the Qualified Improvement Projects on

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<sup>1</sup> NTD (delete prior to execution): Update with any additional sections if codified.

<sup>2</sup> NTD (delete prior to execution): Delete bracketed language as appropriate.

the Property listed on identified on Exhibit B attached hereto and incorporated herein by this reference (collectively, the “Approved Project”) comply with such criteria and are approved for participation in the Program;

WHEREAS, the Approved Project is to be financed pursuant to a Financing Agreement between the [Property Owner][lessee] (the “Applicant”) and a Capital Provider, pursuant to which the Applicant agrees to repay the Capital Provider the Financing Amount;

WHEREAS, pursuant to the Act and the Resolution, the Jurisdiction and the Property Owner must enter into this Assessment Agreement;

WHEREAS, it is a condition to closing of the Financing under the Financing Agreement that the Property Owner and the Jurisdiction enter into this Assessment Agreement and that this Assessment Agreement and the Assessment and Assessment Lien created hereby be assigned to the Capital Provider; and

WHEREAS, the Property Owner voluntarily and willingly agrees to have the Assessment and Assessment Lien created and Recorded against the Property and to enter into this Assessment Agreement in order to finance the installation on the Property of the Approved Project on the terms set forth in the Financing Agreement.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Property Owner and the Jurisdiction formally covenant and agree as follows, with the intent to bind themselves and their respective successors and assigns:

## AGREEMENT

Section 1. Purpose. This Assessment Agreement relates to the Property. The Property Owner has supplied to the Program Administrator evidence of its ownership of fee title to the Property and its legal authority to execute and deliver this Assessment Agreement. The Property Owner and the Jurisdiction are entering into this Assessment Agreement for the purpose of documenting the Property’s participation in the Program and to establish Property Owner’s consent as required under the Act and the Resolution. The parties acknowledge and agree that the Property is a Qualifying Commercial or Industrial Property and that the Approved Project, whether the refinancing, purchase, installation or construction thereof, constitutes a Qualified Improvement Project on the Property. The Property Owner shall be deemed to own the Approved Project pursuant to NRS 271.6312(3), but this Assessment Agreement shall not restrict Property Owner’s right to sell, encumber or lease the Approved Project in its discretion.

Section 2. Assessment and Lien; Assignment.

(a) The Property Owner agrees to the creation of the Assessment and Assessment Lien, which is created hereby and requires no further ordinance or resolution by the Governing Body. Further, the Property Owner acknowledges and agrees that, upon the execution and delivery of this Assessment Agreement by the parties, the Property Owner voluntarily and willingly consents to notice of the Assessment and Assessment Lien being Recorded against the Property by the Jurisdiction in the principal amount of \$[INSERT \$ AMOUNT] together with all interest, penalties, and fees as described in the Financing Agreement, which shall be deemed the Financing Amount. Upon execution and delivery

of this Assessment Agreement, Property Owner expressly consents to the Jurisdiction executing and Recording a Notice of Assessment and Assessment Lien in substantially the form prescribed by the Program Guide, which includes this Assessment Agreement as an exhibit, evidencing the Financing Amount (the “Notice”). The Recording of the Notice will cause the Assessment and Assessment Lien to attach as a lien upon the Property for the benefit of the Jurisdiction and will provide record notice to third parties of the existence of the Assessment and Assessment Lien.

(b) [The Approved Project relates to an existing structure, and the Financing Amount does not exceed twenty-five percent (25%) of the fair market value of the Property assessed as determined by a certified appraiser pursuant to guidelines adopted pursuant to NRS 271.6325;][The Approved Project relates to a new build or gut rehabilitation, and the Financing Amount does not exceed thirty-five percent (35%) of the fair market value of the Property assessed as determined by a certified appraiser pursuant to guidelines adopted pursuant to NRS 271.6325;]<sup>3</sup>

(c) The execution and delivery of this Assessment Agreement by the parties authorizes and effectuates the creation of the Assessment and Assessment Lien by the Jurisdiction against the Property and Recordation of the Notice without any further action required by the parties or by the Governing Body.

(d) The Property Owner hereby promises to pay the Financing Amount in installments for a period of [INSERT # OF YEARS] years on the due dates set forth in Exhibit C attached hereto and incorporated herein by this reference (the “Schedule”). The Property Owner agrees, as provided in the Financing Agreement, to pay the amount due in installments according to the Schedule (each, an “Installment”), and each Installment must be paid by the Property Owner by its due date in order to avoid delinquencies and the accrual of interest and related penalties under the Financing Agreement.

(e) The Financing Amount shall be secured by the Assessment and Assessment Lien until paid in full. Failure to pay any Installment, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due on the terms and provisions of the Financing Agreement. In addition, under those circumstances, the Assessment and Assessment Lien may be foreclosed in the manner specified in Section 3 below.

(e) The Assessment and Assessment Lien, together with this Assessment Agreement, shall be assigned pursuant to an Assignment of Assessment and Assessment Lien in substantially the form set forth in the Program Guide (the “Assignment”) by the Jurisdiction to the Qualified Capital Provider (for the benefit of the Qualified Capital Provider and its designees and assigns). The Assignment shall be executed and delivered by the Jurisdiction contemporaneously with this Assessment Agreement and Recorded immediately following the Notice at the closing of the Financing pursuant to the Financing Agreement.

### Section 3. Collection of Installments; Foreclosure.

(a) The Installments shall be collected in the manner specified in the Financing Agreement.

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<sup>3</sup> NTD (delete prior to execution): Delete the bracketed language that does not apply to the Approved Project.

(b) The Property Owner acknowledges that if any Installment is not paid when due, the Assessment and Assessment Lien may be enforced by judicial foreclosure like a mortgage by the Capital Provider.

(c) Property Owner expressly consents to prosecution of said action of foreclosure by Capital Provider in accordance with the terms of the Financing Agreement. The Jurisdiction shall have no obligation to prosecute such foreclosure on behalf of the Capital Provider, or to otherwise participate in such foreclosure, except to the extent that any action on the part of the Jurisdiction or any Jurisdiction official is required in order to allow the Capital Provider to prosecute or effectuate the foreclosure proceeding or to ratify or confirm any action of the Capital Provider taken in furtherance of the foregoing, as contemplated in the Act or the Resolution.

(d) [Because this Assessment Agreement covers multiple parcels, an action of foreclosure on a parcel or parcels shall be brought in accordance with the terms specified in the Financing Agreement, to the extent consistent with the requirements of the Act.]<sup>4</sup>

Section 4. Term; Runs with the Land.

(a) Except as otherwise set forth in this Assessment Agreement, this Assessment Agreement shall terminate upon payment in full of the final Installment or prepayment in full of the Financing Amount. Following such termination, the Jurisdiction shall cause to be executed, delivered and Recorded a Release in substantially the form provided in the Program Guide.

(b) Once the Notice is Recorded, the Assessment and Assessment Lien shall (i) run with the land until the Financing Amount is paid in full and released of record, (ii) not be subject to acceleration or extinguishment by the sale of any of the Property on account of the non-payment of general taxes, and (iii) be prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general taxes attached to the Property pursuant to the provisions of NRS 361.450. In the event of a default under the Financing Agreement or foreclosure by another Lender against the Property, the balance of the Financing Amount that has not yet become due is not accelerated or eliminated but shall continue to run with the land and bind successors of Property Owner.

(c) Each amendment to this Assessment Agreement must be executed by the Jurisdiction and the Property Owner and must be Recorded, and once so Recorded is binding upon the signatories and any other person who holds any interest in the Property, regardless of whether that interest arose before or after the Recording of the Notice.

(d) The Property shall not be subdivided unless permissible under the terms of the Financing Agreement. In the event of subdivision, allocation of the Assessment and Assessment Lien between subdivided parcels will be pursuant to the terms of the Financing Agreement.

Section 5. Recordation of Documents. The Jurisdiction shall cause to be Recorded the Notice, which includes this Assessment Agreement as an exhibit, and such other documents that are attached as Exhibits to this Assessment Agreement, or may delegate authority to Record to the Capital Provider. Once Recorded, this Assessment Agreement shall be binding on the Property Owner and any

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<sup>4</sup> NTD (delete prior to execution): Delete if only one parcel.  
22949304.4

other person who holds any interest in the Property regardless of whether such interest in the Property came into existence before or after the Recording hereof.

Section 6. Further Assurances. The parties agree to from time-to-time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Assessment Agreement.

Section 7. Binding Effect; Assignment. This Assessment Agreement inures to the benefit of and is binding upon the Jurisdiction, the Property Owner and their respective successors and assigns. The obligation to pay the Financing Amount set forth in this Assessment Agreement is an obligation of the Property, and no agreement or action of the Property Owner (other than repayment of such amount in full in accordance with the terms of the Financing Agreement) will impair in any way the right to pursue foreclosure or the right to enforce the collection of the outstanding balance or any Installment against the Property. With exception of Section 8 which may not be assigned, any assignee of the Jurisdiction shall be a party to this Assessment Agreement and shall have all of the rights and obligations of the Jurisdiction hereunder to the extent that such rights and obligations have been assigned by the Jurisdiction pursuant to the assignment documentation between the Jurisdiction and the assignee. The Jurisdiction may furnish any information concerning the Property Owner in its possession from time-to-time to prospective assignees.

Section 8. No Liability of the Jurisdiction. Except for the imposition and amount of the Assessment and Assessment Lien, in no event is the Jurisdiction responsible for the form of this Assessment Agreement or any statement, term, provision or other matter contained herein. Pursuant to NRS \_\_\_\_,<sup>5</sup> other than for its willful misconduct, the Jurisdiction shall incur no liability as a result of any provision of this Assessment Agreement, nor shall any members of the Governing Body, employees, board members and executives of the Jurisdiction be personally liable for exercising any rights or responsibilities pursuant to or in furtherance of this Assessment Agreement, other than for their willful misconduct. This Section shall inure only to the Jurisdiction, its Governing Body, employees, board members, and executives, and not to the benefit of the Jurisdiction's successors or assigns of this Assessment Agreement. The Municipality shall not be liable for any amounts due pursuant to a Qualified Improvement Project.

Section 9. Indemnification. Property Owner agrees to defend, indemnify and hold the Jurisdiction, its Governing Body, employees, agents and contractors harmless from any and all claims, including, but not limited to, reasonable attorneys' fees, demands, losses and liabilities to or by third parties arising from, resulting from or connected with this Assessment Agreement, the Approved Project, the Notice and the Assessment and Assessment Lien. Property Owner's duty to indemnify the Jurisdiction shall not apply to liability for damages to the extent caused by or resulting from the sole or contributory negligence or willful misconduct of the Jurisdiction, its Governing Body, employees, agents or contractors.

Section 10. Governing Law; Venue; Jury Trial Waiver. This Assessment Agreement is governed by and construed in accordance with the laws of the State of Nevada. Any legal action brought under this Assessment Agreement must be instituted exclusively in the state and federal courts located within Washoe County, Nevada. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT

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<sup>5</sup> Insert NRS reference once codified (Section 13.5 of the Act).  
22949304.4

ANY CONTROVERSY WHICH MAY ARISE UNDER THIS ASSESSMENT AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS ASSESSMENT AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTIES WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS ASSESSMENT AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.

Section 11. Severability. Each and every provision of this Assessment Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Assessment Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Assessment Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assessment Agreement shall be valid and shall be enforced to the extent permitted by applicable law.

Section 12. Counterparts. This Assessment Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 13. Conflicts. In the event of a conflict between this Assessment Agreement and the Financing Agreement, the terms and conditions of this Assessment Agreement shall control. This Assessment Agreement is subject to the Act and the Resolution in all respects and the terms and conditions of the Act and the Resolution are incorporated herein by this reference.

*[Signatures appear on the following page]*

**IN WITNESS WHEREOF**, the Jurisdiction and the Property Owner have caused this Assessment Agreement to be executed in their respective names by their duly authorized representatives, all as of the Effective Date.

**JURISDICTION:**

**City of Sparks, Nevada**

**[INSERT JURISDICTION SIGNATURE BLOCK]**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of **[JURISDICTION NAME]**.

(Seal, if any)

\_\_\_\_\_  
Signature of Notarial Officer

*[Signatures continue onto the following page]*



**PROPERTY OWNER:**

**[PROPERTY OWNER NAME]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of **[PROPERTY OWNER NAME]**.

(Seal, if any)

\_\_\_\_\_  
Signature of Notarial Officer

**EXHIBIT A**

**PROPERTY LEGAL DESCRIPTION**

(To be inserted)

**EXHIBIT B**  
**APPROVED PROJECT**

(To be inserted)

**EXHIBIT C**

**SCHEDULE**

Period	Bill date	Delinquent After Date	Payment	Interest	Principal	Principal Remaining	Annual Collection Costs**	Total Payment Due
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								

**EXHIBIT B**  
**FORM OF NOTICE OF ASSESSMENT AND ASSESSMENT LIEN**

APN(s): [INSERT]

RECORDING REQUESTED BY  
AND WHEN RECORDED  
RETURN TO:

[NAME]  
[ADDRESS]  
Attn: [NAME]

[The undersigned hereby affirms that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information of any person or persons (per NRS 239B.030)]<sup>1</sup>

**NOTICE ASSESSMENT AND ASSESSMENT LIEN**

Notice is hereby given that the Tract described below (the “Property”) is participating in the Sparks Commercial Property Assessed Clean Energy Program, created on [INSERT DATE] by Resolution No. 3410 (the “Resolution”). That certain Assessment Agreement, between the City of Sparks (the “Jurisdiction”) and the property owner(s) listed below (“Property Owner”), dated [DATE], is attached hereto as Exhibit A and incorporated herein by this reference (the “Assessment Agreement”). Capitalized terms used herein but not otherwise defined have the meanings ascribed such terms in the Resolution.

THE OWNER(S) OF FEE TITLE TO THE PROPERTY:	[INSERT NAME]
THE APPLICANT:	[INSERT NAME]
THE ADDRESS OF THE PROPERTY:	[INSERT]
LEGAL DESCRIPTION OF THE PROPERTY:	SEE EXHIBIT A TO THE ASSESSMENT AGREEMENT
ASSESSOR’S PARCEL NUMBER OF THE PROPERTY:	[INSERT]
PRINCIPAL AMOUNT OF FINANCING SECURED HEREBY:	[INSERT]
FINANCING TERM:	[INSERT]
PAYMENT SCHEDULE FOR ASSESSMENT:	SEE EXHIBIT C TO THE ASSESSMENT AGREEMENT

<sup>1</sup> NTD (delete prior to execution): Confirm County recording requirements (this statement is not required in Clark County). Margins should be at least 1” all around with all font, including footers, being at least 10pt. Blue or black ink should be used for signature and the Nevada statutory form of notary block should be used if notarized within Nevada.

DATE OF C-PACE LIEN CREATION:	THE DATE OF RECORDING OF THIS NOTICE

The Assessment and Assessment Lien noticed hereby shall run with the land and is not subject to acceleration or extinguishment by the sale of any property on account of the nonpayment of general taxes and is prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general taxes attached to the Property pursuant to the provisions of NRS 361.450.

Property Owner acknowledges and agrees that this Notice of Assessment and Assessment Lien (this “Notice”) shall be Recorded and may not be modified except by a written agreement of the Capital Provider, Property Owner and the Jurisdiction, which must also be Recorded. Any dispute regarding this notice shall be governed by and construed in accordance with the laws of the State of Nevada, and any legal action with respect thereto must be instituted exclusively in the state and federal courts located within Washoe County, Nevada. This Notice may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument. In the event of a conflict between this Notice and the Assessment Agreement, the terms and conditions of this Assessment Agreement shall control. [This Notice is not intended to, and shall not be interpreted as, affecting Property Owner’s rights or remedies under NRS 108.234 with regard to notices of non-responsibility or other rights and remedies of Property Owner under NRS Chapter 108 with regard to work prepared at the behest of Property Owner’s tenant for a Qualified Improvement Project.]<sup>2</sup> This Notice is subject to the Act and the Resolution in all respects.

*[Signatures appear on the following pages]*

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<sup>2</sup> NTD (delete prior to execution): Delete if the Property Owner is the Program Applicant and not its tenant.

IN WITNESS WHEREOF, the Property Owner and the Jurisdiction have caused this Notice of Assessment and Assessment Lien to be executed in their respective names by their duly authorized representatives, to be effective as of the date of Recordation hereof.

**GRANTEE:**

**City of Sparks, Nevada**

**[INSERT JURISDICTION SIGNATURE BLOCK]**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of [JURISDICTION NAME].

(Seal, if any)

\_\_\_\_\_

Signature of Notarial Officer

*[Signatures continue onto following page]*



**PROPERTY OWNER:**

**[PROPERTY OWNER NAME]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of **[PROPERTY OWNER NAME]**.

(Seal, if any)

\_\_\_\_\_

Signature of Notarial Officer

EXHIBIT A  
ASSESSMENT AGREEMENT

(Attached)

**EXHIBIT C**  
**FORM OF ASSIGNMENT OF ASSESSMENT AND ASSESSMENT LIEN**

APN(s): [INSERT]

RECORDING REQUESTED BY  
AND WHEN RECORDED  
RETURN TO:

[NAME]  
[ADDRESS]  
Attn: [NAME]

[The undersigned hereby affirms that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information of any person or persons (per NRS 239B.030)]<sup>1</sup>

**ASSIGNMENT OF ASSESSMENT AND ASSESSMENT LIEN  
AND ASSESSMENT AGREEMENT**

This ASSIGNMENT OF ASSESSMENT AND ASSESSMENT LIEN AND ASSESSMENT AGREEMENT (this “Assignment”) is dated as of \_\_\_\_\_, 20\_\_ by City of Sparks (“Assignor”), and [INSERT NAME OF CAPITAL PROVIDER] (“Assignee”).

For value received, Assignor hereby grants, assigns and transfers to Assignee, without recourse or warranty of any kind, express or implied, all of Assignor’s rights in, title to and interest under, that certain Notice of Assessment and Assessment Lien, dated as of [INSERT DATE], made by [INSERT NAME OF PROPERTY OWNER] (“Property Owner”) and Assignor, recorded immediately prior to this instrument in the official records of the the County Recorder of Washoe County, Nevada (the “Notice”), with respect to that certain real property described on Exhibit A attached hereto and incorporated herein by this reference, together with that certain Assessment Agreement, dated as of [INSERT DATE], between Property Owner and Assignor, which is attached as an exhibit to the Notice, together with the obligations secured by the Notice and all other instruments, documents and certificates executed in connection therewith (collectively, the “C-PACE Lien”). Assignee hereby accepts and assumes all of Assignor’s rights in, title to and interest under the C-PACE Lien, together with the obligations of Assignor secured by the C-PACE Lien.

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<sup>1</sup> NTD (delete prior to execution): Confirm County recording requirements (this statement is not required in Clark County). Margins should be at least 1” all around with all font, including footers, being at least 10pt. Blue or black ink should be used for signature and the Nevada statutory form of notary block should be used if notarized within Nevada.

Consistent with NRS 271.6316(5)-(6), (as amended from time-to-time, “NRS”), by accepting this Assignment, Assignee agrees for the benefit of Assignor that Assignee shall be solely responsible for enforcing the obligation of Property Owner to pay the installments described in the Assessment Agreement, including, at Assignee’s election, pursuing a judicial foreclosure of the C-PACE Lien like a mortgage. Assignor shall have no obligation to prosecute such foreclosure on behalf of Assignee, or to otherwise participate in such foreclosure, except to the extent that any action on the part of Assignor or any official of Assignor is required to allow Assignee to prosecute or effectuate the judicial foreclosure like a mortgage or to ratify or confirm any action of Assignee taken in furtherance of the foregoing as contemplated in Resolution No. [INSERT #], adopted by the governing body of Assignor on [INSERT DATE], adopting to Assignor’s Commercial Property Assessed Clean Energy financing program, consistent with NRS 271.6312—.6325, inclusive, as may be amended from time to time.<sup>2</sup>

*[Signatures appear on following page]*

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<sup>2</sup> NTD: Update with NRS reference updates if codified.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the day and year first above written.

“ASSIGNOR”

**[INSERT JURISDICTION NAME]**

**[INSERT JURISDICTION SIGNATURE BLOCK]**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of **[JURISDICTION NAME]**.

(Seal, if any)

\_\_\_\_\_

Signature of Notarial Officer

*[Signatures continue onto the following page]*

“ASSIGNEE”

**[CAPITAL PROVIDER NAME]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of **[CAPITAL PROVIDER NAME]**.

(Seal, if any)

\_\_\_\_\_

Signature of Notarial Officer

EXHIBIT A

LEGAL DESCRIPTION

(Attached)