

ASSESSMENT CONTRACT

The County of Lake, Illinois	<p style="margin: 0;">Property Owner: {PROPERTY OWNER}</p> <p style="margin: 0;">Property: {PROPERTY ADDRESS 1} {PROPERTY ADDRESS 2}</p> <p style="margin: 0;">Financed Amount: {FINANCED AMOUNT}</p> <p style="margin: 0;">Interest Rate: {INTEREST RATE}</p>
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This **ASSESSMENT CONTRACT** (as may be amended, modified or supplemented from time to time, this “**Assessment Contract**”), dated as of {CLOSING DATE} (the “**Closing Date**”), is by and between The County of Lake, Illinois (the “**County**”) a political subdivision of the State of Illinois (the “**State**”), and {PROPERTY OWNER}, a {PROPERTY OWNER DESCRIPTION} (together with its successors and assigns, the “**Property Owner**”) the owner(s) of record, of the fee interest in the real property described on **Exhibit A** (the “**Property**”). The Property Owner completed an application (the “**PACE Application**”) to participate in a property assessed clean energy (“**PACE**”) financing program (the “**PACE Program**”) offered by the County pursuant to the Property Assessed Clean Energy Act. 50 ILCS 50/1 et. seq. (the “**PACE Act**”) and administered by The Illinois Energy Conservation Authority NFP (together with its successors, the “**Program Administrator**”), in order to finance or refinance certain qualified “Energy projects” (as defined in the PACE Act) that benefit the Property, as described on **Exhibit A** (the “**Improvements**”). The Property Owner will repay the Financed Amount (including closing costs) in the amount set forth on Exhibit A, accrued interest, closing costs, Administrative Expenses (as defined below), indemnities, penalties and any other amounts payable under this Assessment Contract (collectively, the “**Assessment Obligations**”) through tax assessments levied on the Property from time to time by the County pursuant to the PACE Act (the “**Assessments**”). This Assessment Contract establishes the terms of the Property Owner’s participation in the PACE Program and payment of the Assessment Obligations. To finance or refinance the Improvements, the Property Owner has requested that the County issue a PACE Revenue Note, dated the Closing Date, for the benefit of {CAPITAL PROVIDER}, a {CAPITAL PROVIDER DESCRIPTION} (the “**Capital Provider**”).

SUPPLEMENTAL AGREEMENTS. The Property Owner and the Capital Provider have entered into one or more agreements, in each case setting forth additional terms and conditions agreed by such parties with respect to the financing under this Assessment Contract as set forth on Exhibit A (collectively, the “**Supplemental Agreements**”). A default under such Supplemental Agreements does not constitute a default under this Assessment Contract, except to the extent such occurrence is also a default under the terms of this Assessment Contract.

ASSESSMENTS. The Property Owner agrees that from and after execution of this Assessment Contract, the Property shall be subject to Assessments that will be levied by the County from time to time in the amounts necessary to repay all Assessment Obligations. The Assessments will be a lien against the Property (the “**Lien**”) until all Assessment Obligations have been paid in full. The Lien will be coequal to and independent of the lien for general taxes on the Property. If title to the Property is transferred, the obligation to pay the Assessments and the Lien will remain with the Property and will be effective against any future owner of the Property until all Assessment Obligations have been paid in full.

USE OF FUNDS. The Property Owner will use the financing obtained under this Assessment Contract solely for the purpose of financing the actual costs of materials, labor, fees and expenses that are permitted by the PACE Act and are necessary for installation of the Improvements and entering into this Assessment Contract and the Supplemental Agreements; provided that the Capital Provider and the Program Administrator may agree to the Property Owner’s reasonable requests for changes to the type of the Improvements, so long as the Improvements after such changes continue to be qualified Energy projects under the PACE Act and the Financed Amount is not increased. If such actual costs exceed the Financed Amount, the Property Owner is solely responsible for such excess. The Financed Amount will include capitalized interest sufficient to pay any interest

due in the period from the Closing Date to the first day of the Interest Period (as defined below) covered by the first scheduled Assessment Payment.

ASSESSMENT PAYMENTS. The installments that the Property Owner is anticipated to pay under the Assessments (including principal payments, interest and estimated Administrative Expenses) are described on **Schedule I** (“**Assessment Payments**”). The exact amount of each Assessment Payment (reflecting any adjustments to such amounts related to prepayments, changes to Administrative Expenses, indemnities or other unscheduled amounts payable by or credited to the Property Owner pursuant to this Assessment Contract) and actual due dates will be disclosed in the regular property tax bills from the County along with the Property Owner’s other property taxes. Assessment Payments must be paid with those property taxes. Assessment Payments are not subject to discount or any other credit for early payment.

INTEREST. Interest will accrue on the outstanding portion of the Financed Amount at the Interest Rate and calculated in the manner described above on the basis set forth in **Exhibit A**. Interest will begin to accrue beginning on the Closing Date. Each Assessment Payment will include the full amount of interest scheduled to become due within the corresponding 6-month period of the calendar year in which that Assessment Payment is scheduled (each, an “**Interest Period**”). Early payment of an Assessment Payment will not reduce the amount of interest accrued in any due and payable with respect to the related Interest Period.

ADMINISTRATIVE EXPENSES. In accordance with the PACE Act, each Assessment Payment will include amounts necessary to pay ongoing costs and expenses incurred in connection with administering and collecting the financing provided under this Assessment Contract (“**Administrative Expenses**”). Administrative Expenses payable to the County are anticipated to equal [$\$300/400$]¹ of each scheduled Assessment Payment, but may increase to reflect actual costs of the County.

PROGRAM REQUIREMENTS. Based solely on the recommendation of the Program Administrator and the representations of the Property Owner in this Assessment Contract and in the PACE Application, the County has determined the Property Owner has met all necessary PACE Program requirements to enter into this Assessment Contract. The Property Owner certifies that the County has complied with the provisions of Section 25 of the PACE Act.

DISBURSEMENTS. If installation of the Improvements is complete as of the Closing Date, the Financed Amount will be disbursed to, or at the direction of, the Property Owner. If installation of the Improvements is not complete as of the Closing Date, the Supplemental Agreements shall include provisions governing the escrow and disbursement of any undisbursed portion of the Financed Amount (“**Disbursement Arrangements**”). The terms of any Disbursement Arrangements shall be consistent with the PACE Act, this Assessment Contract and any requirements of the program guidelines for the PACE Program in effect as of the Closing Date (the “**Program Guidelines**”). In connection with each draw request, the Property Owner shall provide the Program Administrator with information demonstrating that the installation of the Improvements is consistent with the approved PACE Application. Prior to the final disbursement of the Financed Amount, the Property Owner shall deliver the Program Administrator and Capital Provider a final completion certificate in a form approved by the Program Administrator (the “**Final Completion Certificate**”) stating that the work on the Improvements has been completed in a satisfactory manner and the Improvements have been properly acquired, constructed, installed, and operating as intended. The Disbursement Arrangements shall provide that any portion of the Financed Amount remaining undisbursed by the earlier of the Completion Deadline set forth in **Exhibit A** (as extended by agreement of the Capital Provider and the Property Owner with notice to the Program Administrator) and the delivery of the Final Completion Certificate shall be used to repay the Financed Amount in accordance with the Supplemental Agreements.

PREPAYMENT. The outstanding Financed Amount may be prepaid in whole or in part in accordance with this Assessment Contract and the conditions and procedures agreed by the Capital Provider and the Property Owner

¹ Determined based on deal size.

set forth in **Exhibit A**. Upon receipt of a request for a prepayment, the Capital Provider will provide, or cause to be provided, a payoff statement and payment instructions to the Property Owner and the Program Administrator. Payoff statements will be conclusive absent manifest error. Prepayments shall be made to, or at the direction of, the Capital Provider as set forth in the payoff statement. The amount of any prepayment must include (A) any delinquent Assessment Payments (together with any penalties accrued to the date of prepayment), (B) any accrued but unpaid interest on the portion of principal being prepaid, (C) any rebate of unearned interest, (D) any prepayment premium set forth on **Exhibit A**, and (E) an amount sufficient to cover any fees and expenses of the County, the Program Administrator, the Permitted Assignee and any other party incurred in connection with such prepayment. Following any partial prepayment, the Capital Provider will deliver, or cause to be delivered, to the Property Owner and the Program Administrator a replacement **Schedule I** that has been revised in a manner that is consistent with the agreed prepayment terms in **Exhibit A**, this Assessment Contract, the Supplemental Agreements and the Program Guidelines. Upon delivery of such schedule and confirmation of the receipt of such payment to the Program Administrator, such schedule shall replace **Schedule I** from the date of the prepayment without further act, absent manifest error. Due to circumstances outside of the PACE Program's control, certain prepayments (including those applied after December 1 of any calendar year) may result in the Property Owner receiving a tax bill that does not reflect that prepayment. In these circumstances, the Property Owner must pay the full tax bill, and the County will promptly refund overpayments to the Property Owner with notice to the Capital Provider.

LATE PAYMENT. Under Illinois law, if the Property Owner fails to pay any Assessment Payment on a timely basis, such delinquent Assessment Payments will be subject to the same statutory penalties as other delinquent property taxes, which currently incur penalties starting at 1.5% per month that increase steeply if such taxes remain unpaid. The Property Owner will be responsible for such penalties and any fees, default interest or other charges related to a delinquent Assessment Payment and such amounts shall become part of the Assessments levied under this Assessment Contract.

FORECLOSURE. The Property Owner acknowledges and agrees that upon failure to pay any Assessment Payment when due, the County has the right to enforce the collection of delinquent Assessment Payments, associated penalties and all costs of any enforcement action (including attorneys' fees) by all lawful means, including through a tax certificate sale or an issuance of a tax deed or other process that could result in Property Owner losing title to the Property. The Property Owner acknowledges that the County has the right to obligate itself, on behalf of the County Parties (as defined below), to exercise such rights and remedies with respect to enforcement of delinquent Assessment Payments to the extent permitted by applicable law.

NO ACCELERATION; NO REDUCTION OR OFFSET; SURVIVAL. Except as provided below with respect to Eminent Domain, the outstanding portion of the Financed Amount and scheduled Assessment Payments related thereto will not accelerate upon a default or late payment or enforcement of remedies by the County under this Assessment Contract. The Assessments, the Lien and the obligation to pay subsequent Assessment Payments when they become due shall survive any such event and continue until paid in full. The Property Owner acknowledges and agrees that the Assessments will not be subject to reduction, offset or credit of any kind for any reason, including the Improvements' failure to perform as expected.

ANTI-DEFICIENCY. Without limiting any rights or obligations of the parties to the Supplemental Agreements, the Property Owner will not be personally liable under this Assessment Contract for any delinquent amount of Assessments that remains outstanding after the completion of the exercise of applicable remedies by the County in respect of such amount (including a tax sale of the Property), except for any claims (including, without limitation, indemnification claims) arising from an event of fraud, willful misconduct or reckless disregard by the Property Owner (which the County or other indemnitee may pursue from the Property Owner under any available method permitted by law).

NO WARRANTIES; LIMITATION OF LIABILITY. NONE OF THE COUNTY PARTIES MAKES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, REGARDING THE IMPROVEMENTS OR THE INSTALLATION OR PERFORMANCE THEREOF, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE EXPRESSLY DISCLAIMED.

PROPERTY OWNER REPRESENTATIONS AND WARRANTIES. The Property Owner represents and warrants that: (A) the Property Owner is duly organized, validly existing and in good standing in the state of its organization and has authority to do business under the laws of the State; (B) the Property Owner has all necessary power and authority to own the Property and to enter into and perform the transactions contemplated by this Assessment Contract and the Supplemental Agreements; (C) there are no actions, suits or proceedings pending, or to the knowledge of the Property Owner threatened, against or affecting it or the Property that could materially adversely affect the Property Owner, the Property or the installation of the Improvements that have not been disclosed to the Program Administrator in connection with the PACE Application; (D) the Property Owner has good and insurable title to the Property; (E) the Property Owner has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and installation of the Improvements, including confirming that its contractor has or will comply with the Illinois Prevailing Wage Act; (F) all permits, consents, approvals and authorizations required to be issued by any governmental body necessary for the installation of the Improvements in accordance with the plans and specifications submitted by the Property Owner to the Program Administrator (the “Plans”) either (i) have been obtained, are valid, and are in full force and effect; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of installation; (G) the Property Owner has (i) disclosed to the Program Administrator the identities of all persons, if any, that hold mortgage liens or other special assessment liens against the Property; (ii) at least thirty days prior to the Closing Date, provided notice to such lien holders of the Property Owner’s intent to enter this Assessment Contract pursuant to the PACE Act, and (iii) obtained the written consent of the holders of such mortgage liens against the Property acknowledging that upon execution of this Assessment Contract, the Assessments (including interest thereon) shall each constitute a legal, valid and binding assessment and a resulting lien upon the Property, equal in priority with the lien of all state, county, district and municipal taxes and superior in priority to all other liens, titles and claims, until the Assessment Obligations are paid in full; and (iii) to the Property Owner’s knowledge, no such consent has been withdrawn or revoked; (H) the information in the PACE Application, including, without limitation, the description of the Improvements provided to the Program Administrator in connection with in the PACE Application, is true and correct as of the Closing Date, and that the representations in the PACE Application with respect to the Property and the Property Owner are true and correct as of the Closing Date; (I) the Property Owner has thoroughly reviewed any projections of future energy savings, has been provided sufficient time to clarify any questions regarding such projections and understands that the actual energy savings may vary for a variety of reasons; (J) the Property Owner understands that none of the County Parties makes any assurances as to the quality, safety, efficiency of the Improvements or compliance of the installation of the Improvements with any applicable laws, regulations, codes, standards or requirements; (K) the Property Owner does not and will not engage in operations that involve the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, and the Property has not been previously used for such matters; (L) the Property Owner acknowledges and agrees that the scheduled term of the Assessments do not exceed the expected useful life of the Improvements as calculated in accordance with the Program Guidelines; and (M) Property Owner has reviewed the Program Guidelines. These representations and warranties will survive the execution and delivery of this Assessment Contract.

PROPERTY OWNER COVENANTS. The Property Owner covenants and agrees to: (A) at all times, maintain the Property and, after installation, the Improvements; (B) pay all taxes, assessments (including the Assessments), and all other charges levied on or against the Property when due; (C) cause its contractor(s) to install the Improvements in accordance with the Plans and in a good and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations; (D) keep in effect all permits, licenses, and approvals required to own and operate the Improvements; and (E) provide written notice to any subsequent purchaser of the Property that the Property is subject to the Assessments and the Lien and to provide any subsequent purchaser a copy of this Assessment Contract.

INSPECTION RIGHTS. The Property Owner grants the County, the Program Administrator, their respective agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further grants the County, the Program Administrator, their respective agents and representatives the right to examine and copy any documentation relating to the Improvements.

TERM. Except as otherwise set forth in this Assessment Contract, this Assessment Contract shall expire upon payment in full of the Assessment Obligations. Upon receipt of written confirmation from the Capital Provider

that such amounts have been paid in full, the County will promptly record a termination of this Assessment Contract and release of the Lien.

DIVISION OF PROPERTY. If the property is subdivided before the Assessment Obligations are paid in full, the outstanding Assessments will be allocated among the subdivided parcels in the same proportion used for allocating other property taxes on such parcels, unless otherwise agreed by the Program Administrator and the Capital Provider.

EMINENT DOMAIN. If title to or use of the Property is taken by eminent domain or other governmental right to expropriate the Property (a “**Taking**”) in a manner that would extinguish all of the Property Owner’s (or that of its successor after a Taking) obligations to make Assessment Payments following such Taking, then all outstanding Assessment Obligations shall become immediately due and payable. If a Taking would only affect a portion of the Property, the Capital Provider may declare that all or a portion of the Assessment Obligations are immediately due and payable in accordance with the Supplemental Agreements. The Supplemental Agreements may include terms and procedures agreed by the Property Owner and the Permitted Assignee in respect of any Takings. The Property Owner shall promptly notify the Capital Provider and the Program Administrator upon becoming aware of any potential Taking.

RECORDATION OF DOCUMENTS. The parties acknowledge that this Assessment Contract shall be recorded in the office of the County Recorder on or about the Closing Date.

WAIVERS, ACKNOWLEDGMENT AND AGREEMENT. To the extent permitted by applicable law, the Property Owner expressly waives any right for a public hearing regarding the Assessments. The Property Owner also waives any right to repeal or challenge the Assessments either by lawsuit or by any other proceeding. The Property Owner acknowledges and agrees that the Property Owner and its successors in interest to the fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner waives any right to recover from and fully releases the County, the Program Administrator and their respective successors, assigns and funding sources, and any of their respective officials, owners, directors, managers, officers, employees and agents (the “**County Parties**”) from any claims or liabilities related to, (A) the Property Owner’s participation in the PACE Program, (B) the Assessments, (C) the Improvements, or (D) any fact, circumstance or event related to this Assessment Contract, the Improvements and funding provided pursuant to this Assessment Contract, and the Supplemental Agreements other than claims for, or liabilities not exceeding, the Property Owner’s actual damages resulting from such County Party’s fraud, willful misconduct or reckless disregard and equitable actions to enforce the terms of this Assessment Contract. Except for representations and warranties of such persons expressly set forth in the document related to this PACE financing, the Property Owner has not relied on any representation of the County or Program Administrator regarding the compliance of the installation of the Improvements or development of the property with any applicable law, including building and zoning codes and the Illinois Prevailing Wage Act.

INDEMNIFICATION. To the extent permitted by applicable law, the Property Owner agrees to indemnify, defend, protect, and hold harmless the County Parties against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and attorney’s fees) and any demands related to (A) the Property Owner’s participation in the Program, (B) the Assessments, (C) the Improvements, or (D) any other fact, circumstance or event related to this Assessment Contract, the Improvements and funding provided pursuant to this Assessment Contract and the Supplemental Agreements. These indemnification provisions shall survive the termination of this Assessment Contract. Indemnification amounts due under this Assessment Contract may be levied as part of the Assessments.

AMENDMENT. Except as expressly provided herein, this Assessment Contract may be supplemented, modified or amended only by the written agreement of the County and the Property Owner or their respective successors or assigns.

SEVERABILITY. If any provision of this Assessment Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Assessment Contract.

FURTHER ASSURANCES. The Property Owner and the County agree to execute any further documents necessary or appropriate to ensure that this Assessment Contract and the Assessments operate as intended.

MISCELLANEOUS. This Assessment Contract shall be governed by the laws of the State. This Assessment Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument. This Assessment Contract may be executed by one or more electronic means and each party agrees that an electronic signature is enforceable and effective for all purposes.

THIRD PARTY BENEFICIARIES. The parties hereto acknowledge that each of the County Parties not a party to this Assessment Contract and each Assignee (as defined below) is a third party beneficiary of this Assessment Contract to the extent of the express rights of such party in this Assessment Contract.

PERMITTED ASSIGNMENTS. This Assessment Contract inures to the benefit of and is binding upon the County, the Program Administrator, the Property Owner and their respective successors and assigns. To the extent permitted by the PACE Act, the County may assign its rights under this Assessment Contract, including all rights to Assessment Payments, to a third party (an “**Assignee**”) without the consent of or notice to the Property Owner. The County intends to delegate certain of its functions under this Assessment Contract to the Program Administrator. Any Permitted Assignee and the Administrator shall be direct beneficiaries hereof.

GOVERNING LAW; VENUE AND JURY WAIVER. THIS ASSESSMENT CONTRACT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES. IF FOR ANY REASON A DISPUTE UNDER THIS ASSESSMENT CONTRACT PROCEEDS IN COURT AS A LAWSUIT, BOTH PARTIES AGREE THAT: (A) ANY SUCH DISPUTE SHALL ONLY BE BROUGHT AS A LAWSUIT IN THE {JUDICIAL CIRCUIT} JUDICIAL CIRCUIT COURT, SITTING IN {COUNTY NAME}, ILLINOIS; (B) BOTH PARTIES IRREVOCABLY CONSENT AND SUBMIT TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF SUCH COURTS; AND (C) BOTH PARTIES WAIVE ANY RIGHT TO TRIAL BY A JURY.

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

Property Owner:

{PROPERTY OWNER}

By: _____
Name: _____
Title: _____

The County of Lake, Illinois

By: _____

Name: _____

Title: _____

EXHIBIT A

DESCRIPTION OF PROPERTY, DESCRIPTION OF THE IMPROVEMENTS NOTICE INFORMATION, PACE DOCUMENTS, INTEREST CALCULATION, PREPAYMENT PROVISIONS

Description of Property:

APN/Parcel ID(s): {PIN}

{PROPERTY DESCRIPTION}

Description of Improvements:

{IMPROVEMENTS}

Notice Information:

If to the County:

{COUNTY ADDRESS}

With a copy to:

The Illinois Energy Conservation Authority NFP
2901 Butterfield Road
Oak Brook, IL 60523

If to the Property Owner:

{PROPERTY OWNER NOTICE ADDRESS}

Supplemental Agreements: [Capital Provider and Property Owner to provide.]

Interest: [Capital Provider and Property Owner to provide.]²

Prepayment Provisions: [Capital Provider and Property Owner to provide.]³⁴

Completion Deadline: [Capital Provider and Property Owner to provide.]

² Sample Language: Interest will accrue on the outstanding financed on the basis of a 360-day year consisting of 12 months of 30 days each"

³ To include: (A) Timing for prepayment requests (not to exceed 60 days), (B) whether or not reamortization is permitted or required, (C) timing for application of prepayment (not to exceed 30 days of receipt of payments), (D) any prepayment premium calculation, as agreed by the Property Owner and the Capital Provider.

⁴ Sample Reamortization Language: [Following a partial prepayment, subject to any restrictions or requirements for prepayments in Exhibit A, you may either continue to owe Assessment Payments in the same amount as prior to such prepayment but decrease the total number of scheduled Assessment Payments or, upon request, revise the schedule of Assessment Payments in a manner that results in smaller scheduled Assessment Payments that amortize the remaining Financed Amount after the application of the prepayment over the original term.]

