VERDIGRE SHARED ENERGY SAVINGS PROGRAM

APPENDIX C
### PROCEDURE

<table>
<thead>
<tr>
<th>Steps</th>
<th>Forms</th>
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<tbody>
<tr>
<td>1. Application</td>
<td>1. Application form</td>
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<tr>
<td>2. Energy audit</td>
<td>2. Consumption use</td>
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<tr>
<td>3. Preparation of audit results</td>
<td>3. Annual consumption history</td>
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<tr>
<td>4. a) Make an appointment for conference with business</td>
<td>4. Audit form &amp; documentation</td>
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<td>b) present proposed improvements</td>
<td>5. Proposed improvements form—Part I</td>
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<td>5. Business makes decision on improvements to be made</td>
<td>6. Presentation notes</td>
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<td>6. Auditor works up bid specifications for work to be done</td>
<td>7. Contractor’s list</td>
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<td>7. Specifications to administrator who provides 3 copies to business (applicant)</td>
<td>8. Specifications—bid sheet</td>
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<td>9. a) Bids are submitted to administrator</td>
<td>10. Proposed Improvements Form—Part II</td>
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<tr>
<td>b) Auditor checks bids for any work or material changes and recalculates payback period</td>
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<td>10. Final determination as to eligibility will be made by administrator</td>
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<td></td>
<td>6. Presentation notes</td>
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12. If all improvements qualify under 60/40 pool - administrator approves project & verifies property ownership & legal description

13. Work up contract/loan agreement for applicant's signature (Insurance will be in place) (When inspections need to be made) (How often draws will be made)

14a. Preconstruction Conference scheduled and notice sent to DED

14.1a. Preconstruction conference held and begin documentation of construction contract activity

14.2a. The construction work begins and notice sent to DED within 10 days of contract award

14.3a. Contractor submits weekly payroll records for employees covered by Davis-Bacon laws

14.4a. Contractor requests approval from business and Program administrator for changes in cost, material or method of material application as needed.

14.5a. Auditor inspects work in progress and interviews contractor employees

15a. Applicant submits final bills for job to administrator

16a. Administrator arranges for auditor to make final inspection of work completed to insure proper installation (other inspections on work in progress will be made as appropriate and as defined in agreement.

12. Contract/Loan Agreement

13. Notice of Contract Award - Preconstruction Conference

14. Construction Contract Checklist

15. Minutes following the Preconstruction Report Format

16. Notice to Proceed

17. Wage Determination - Knox County

18. Notice to All Employees

19. Contractor's Agreement/Contract for Weatherization

20. Notice of Start of Construction

21. Payroll or contractor's own form

22. Change Request and Approval

23. Inspection form

24. Record of Employee Interview

23. Inspection Form
17a. Signing of loan/grant documents for 60/40 pool – file deed

18a. Funds to pay approved project are requested from DED

18.5a. Contractor signs Statement of Compliance and provides Waivers from the subcontractors. Program administrator completes the Construction Contract Checklist.

19a. Upon receipt of funds from DED check(s) issued in payment (two-party check if contractor or supplier is involved).

20a. Business begins payments on 40% loan portion - loan documents are transferred to Neligh Bank, who will service the loan for the Village. (payments flow to Village as program income for future program activities.)

21a. Business provides quarterly information on actual energy consumption until loan is paid. Data is monitored for abnormalities.

22a. Business may apply to village to have payments reduced if energy savings are not being recognized through no fault of theirs.

23a. Business finishes paying loan. Cancelled note is returned to them. Loss payee is deleted on insurance. Deed of trust is released.

12b. Amount of proposed improvements exceeds amount eligible for 60/40 pool.

13b. Business decides on options for amount over 60/40 pool amount.

25. Promisory Note
26. Deed of Trust
27. Insurance Binder
28. DED Request for Funds
14. Construction Contract Checklist
29. Statement of Compliance
30. Subcontractor/Supplier Waiver
31. Log of payments
32. Quarterly Report on loan status
33. Quarterly report on energy consumption
33.3 Pre-Improvement Consumption Data
33.6 Post-Improvement Consumption Data
34. Payment Adjustment Request
14b. Business elects to apply to S.I. pool.

15b. Application documents completed for S.I. Pool - Returns these to administrator.

16b. Administrator reviews application to S.I. Pool with Bank (Loan application, financial statement, proposed improvement & bios)

17b. Bank gives preliminary approval to application

18b. Administrator notifies business of preliminary approval.

19b. Administrator obtains other required documents

20b. Administrator presents remaining documents to bank

21b. Bank gives final approval

22b. Complete steps 14a through 16a.

23b. Sign loan documents for S.I. pool

24b. Complete steps 18a, 18.5a, 19a.

25b. Business begins payments on S.I. Pool Loan - loan documents are transferred to Neligh Bank, who will service the loan for the village. (Payments on village's 38% flow into program income for future program activities

26b. Same as 21a. (22a is not an option under this pool)

27b. Same as 23a.

35. Loan application

36. Financial Statement

38. Preliminary approval letter

39. Preliminary disapproval letter

40. Appraisal, title opinion, insurance binders

38. Approval letter

39. Disapproval letter

16. Notice to Proceed

41. Participation agreement between Village and bank

42. Note

43. Deed of Trust