

**QUALIFIED ENERGY CONSERVATION BOND (QECB)
REQUEST FOR REALLOCATION**

Attn: North Carolina Tax Reform Allocation Committee
c/o Mark N. Poole
Commerce Finance Division
North Carolina Department of Commerce
919.733.4907
mpoole@nccommerce.com

Hand Deliveries
301 N. Wilmington Street
4th Floor, Education Building
Raleigh, North Carolina 27603

US Mail
4318 Mail Service Center
Raleigh, North Carolina 27699-4318

1. Name of governmental entity requesting reallocation: _____ (the "Unit")

2. This project is:

A government project

A private activity

Amount of QECB allocation requested: \$ _____

3. Detailed Description of the project to be financed with Qualified Energy Conservation Bonds, as applicable (the "Project"):

4. Under which "qualified conservation purpose" described in 26 USCS § 54D and IRS Notice 2009-29 does the Project qualify? (NOTE: Pursuant to 26 USCS § 54D(f)(2), only capital expenditures are eligible qualified conservation purposes for private activity bonds.)

5. Location of Project (City or Town and County) _____

6. Name, address, phone number, and tax ID number of the proposed issuer and, if for the purpose of private activity, private borrower or developer, as applicable.

7. Name, address, phone number and email address of the bond counsel who is representing the borrower.

8. What public benefit or purpose would be accomplished by this project?

9. What are the energy conservation benefits of the project to the particular community, the county or the state?

10. Describe the extent to which this project will result in energy savings and the criteria you used to estimate the savings.

11. What is the project's expected life?

12. What is the project's budget? How much has been spent to date?

13. If the Unit does not receive a QECB allocation, what is the likelihood of this project being done?

14. In addition, the Unit is invited to provide additional information for consideration by the Tax Reform Allocation Committee (the "Committee") pursuant to any applicable guidelines or rules as it deems appropriate in order to support a finding by the Committee that the proposed project meets some or all of the factors to be considered by the Committee in reallocating Qualified Energy Conservation Bond allocation. The factors the Committee may currently consider include some or all of the following:

- (a) The ability of the State to ensure that at least 70 percent of the State's allocation is used for government projects, and no more than 30 percent for projects considered QECB private activity bonds under IRS rules, regulations and guidelines;
- (b) The extent to which the project constitutes an eligible conservation purpose under 26 U.S.C.S. § 54D and all relevant implementing notices provided by the IRS (including IRS Notice 2009-29), as may be modified, amended or supplemented;
- (c) The extent to which the project demonstrates the potential to directly conserve energy;
- (d) The extent to which the project supports the development or implementation of innovative energy conservation technology;
- (e) The extent to which the project uses renewable resources to produce energy;
- (f) The number of citizens benefiting from the project;
- (g) The estimated number of jobs to be produced by the projects (for private activity allocations) and the amount of QECB authority per job produced;
- (h) The readiness of the project to proceed;
- (i) The certainty of the issuer using the allocation within the estimated timelines;
- (j) The amount of other public and private funding leveraged by the QECB allocation;
- (k) The amount of local community support for the project;

- (l) The best interests of the State of North Carolina with regard to economic development, energy conservation, green initiatives and the general prosperity of the State;
- (m) Whether the unit of local government is in competition with another state for project benefits such as jobs and tax base;
- (n) Whether the availability of the allocation is a crucial part of attracting a new company or keeping an existing company in place;
- (o) Whether the requested allocation will benefit a project for which an eligible issuer is already issuing QECBs;
- (p) The ability of the unit of local government or company benefiting from the QECB to obtain financing and close the issue in a timely manner, including demonstration of a commitment from a bank or other financial institution to purchase or underwrite the QECBs;
- (q) The total amount of capacity available to the Committee for allocation.

15. The following resolutions or other supporting documents must be attached to this Request for Allocation. These actions of the governing body of the appropriate governmental entity or entities may be evidenced by one or more resolutions.

A. Inducement resolution, reimbursement resolution or other documentation of the preliminary approval of the project by the issuing entity, in conformity with applicable federal and state law.

B. Resolution of the requesting governmental entity requesting the allocation authorizing the appropriate officer to file a Request for Reallocation.

C. A written Letter of Credit or Letter of Commitment for a qualified private placement

D. A written Opinion of Legal Counsel stating that the proposed project meets QECB eligibility requirements under all applicable laws, rules, regulations and requirements. Such opinion must also confirm whether the proposed use is eligible to be considered a public or private use under QECB regulations.

[Signature Page to Follow]

Any award of QECB allocation to Unit shall not be construed as or relied upon as a statement or decision that any particular project in fact complies with applicable laws, rules, regulations and requirements. To the contrary, by executing this form, Unit hereby certifies (i) that the stated project is legally eligible to be funded by QECB's, and (ii) Unit will ensure compliance with all applicable laws, rules, regulations and requirements with respect to any QECB's issued and shall ensure any relevant reports are timely made. Additionally, Unit hereby releases and agrees to hold completely harmless the North Carolina Tax Reform Allocation Committee, the North Carolina Local Government Commission, the North Carolina Department of Commerce, the State of North Carolina, and any employees of any of the foregoing, from any and all matters relating to any QECB capacity awarded or not awarded to Unit or QECB's issued or not issued.

The undersigned, on behalf of the Unit set forth below, hereby certifies that it is authorized by the Unit to make the request and certifications contained herein on behalf of the Unit.

Unit requesting reallocation: _____

By: _____

Signature of Authorized Official

Name (please print) _____

Title _____

Address: _____

Phone Number of Authorized Official: _____

Date _____

NOTE: A SEPARATE APPLICATION FOR REALLOCATION MUST BE FILED FOR EACH PROJECT FOR WHICH REALLOCATION IS REQUESTED