Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector

To: The Board of Supervisors

From: Jenine Windeshausen, Treasurer-Tax Collector

Date: July 12, 2011

Subject: mPOWER Placer Program Amendments, Interest Rate Changes and Marketing Contract

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Action Requested:

1. Receive a report on the mPOWER Placer Program.
2. Approve amendments to the mPOWER Placer Program Report and Administrative Guidelines to confirm that a representative from the Auditor's Office shall serve on the Program Steering Committee, change the maximum annual assessment as a percentage of assessed value qualification from 2% to 5%, and to make other non-substantive technical changes.
3. Ratify a reduction in the assessment interest rate from 7.25% to 6.0% for current and future assessments, and ratify a change to the bond rate from a fixed rate of 3.0% to a step-up structure escalating from 1.25% to 5% and authorize the Treasurer to sign documents and take actions as necessary to implement the interest rate changes.
4. Authorize the Treasurer-Tax Collector to execute a contract with Randle Communications in an amount not to exceed $132,000 for marketing of the mPOWER Placer program.

Background:

Related Board Actions and Implementation Proceedings:
On October 2009, the Board of Supervisors received a feasibility study and business plan on the proposed implementation of AB811 energy efficiency and distributed generation financing program for property owners through the use of contractual assessments. Nationally, these programs are referred to as PACE programs. The Board approved the implementation of the program and directed that the next steps for implementation be brought to the Board.

On January 26, 2010, as part of the implementation, the Board approved the mPOWER Placer Program Report and Administrative Guidelines (the Program Report). The Program Report was later amended by the Board on May 18, 2010 to bring the Report into compliance with the Department of Energy *"Guidelines for Pilot PACE Financing Programs"* issued on May 7, 2010. The purpose of the report is to provide a guiding document for the mPOWER Placer Program (the Program) and to fulfill the statutory requirement under California Streets and Highways Code Section 5898.22 that certain authorities and policies for Program administration have been approved by the Board of Supervisors.

On January 26, 2010, the Board passed resolutions approving the financing arrangement between the County, the Placer County Public Financing Authority and the Treasurer. The initial interest rate for assessments was set at 7.25%, with 3.0% accruing to the bond purchased for the Treasurer's Investment Portfolio and 4.25% accruing to the County for program administrative cost reimbursement.

On March 9, 2010, the mPOWER Placer program was launched.

In July 2011, the residential program was suspended indefinitely due to federal regulatory issues.

Most recently on April 5, 2011, the Board approved a grant allocation from the California Energy Commission in the amount of $372,000 for mPOWER Placer non-residential program.

<u>Item 1, Program Update:</u>
The mPOWER Placer Program was launched on March 26, 2010. A total of 156 applications, totaling over $5.3 million, have been received. Of those applications 145 were residential and 11 were non-residential. Eleven residential applications, totaling $419,120.96 were processed and funded prior to the suspension of the residential program in July 2010, due to contravention by federal housing regulators. Four commercial applications totaling $382,496.18 have been processed and funded.

Advisories from the Federal Housing Regulatory Agency have created some confusion in the banking industry regarding approval of non-residential PACE assessments. However, we have had more banks approve the financing than deny it. Notably in May, the federal Small Business Administration consented to one of our PACE financings.

Staff continues to provide information and pursue outreach to the banking industry regarding PACE assessments. Additionally at the staff level, we have attempted to identify venues and opportunities to market the non-residential program.

Earlier this year, the California Energy Commission allocated $372,000 in grant funding for the mPOWER Placer commercial program. The grant period is from November 1, 2010 through March 31, 2012. Staff recently submitted a grant invoice for program cost reimbursement in the amount of $91,368.20 for the period from November 1, 2010, through April 30th, 2011.

As the Board is aware the County is in litigation against the Federal Housing Finance Agency, GNMA and FNMA along with four other co-plaintiffs: the Attorney General on behalf of the State of California, the County of Sonoma, the city of Palm Desert and the Sierra Club. County Counsel continues to keep the Board apprised of litigation status.

Nationally, PACE advocates continue to pursue legislative relief at the federal level, although no legislation has been introduced as of June 30, 2011. Various stakeholders from California and the nation continue to hold discussions with Congressional members and other federal officials in an attempt to negotiate a solution to the current residential PACE impasse.

In July of 2010, when the mPOWER Placer Program was suspended, officials in Sonoma County decided to continue the Sonoma County Energy Independence Program for both residential and commercial. The consequence of that action have been that Sonoma County PACE assessments must be paid in full at the time of property sale or refinance if the new loan is a FNMA or GNMA eligible financing.

<u>Item 2, Program Report and Administrative Guidelines Amendments:</u>
Since the inception of the Program, the Program Steering Committee has met as required in the Program Report. At all meetings the Auditor or her representative has participated in the discussion. The change to the Program Report would formally designate that the Auditor's Office be represented on the Program Steering Committee and would allow the Auditor to vote on matters before the Program Steering Committee. The Report is amended to read as follows with inserted amendment underlined: "The Program Steering Committee will consist of a representative from the Treasurer's Office, a representative from the Tax Collector's Office, <u>a representative from the Auditor's Office</u>, and a representative from the County Executive's Office; an attorney from County Counsel will advise the Committee."

The Program Report will also be amended to read that "The property's aggregate tax rate (including ad valorem property taxes, the contractual assessments, other assessments and special taxes) may not exceed 5% of the value." This is a change which is made to be consistent with an amendment to the Streets and Highways Code 5898.15 which placed a 5% of value maximum for assessments made under AB 811. There is no statutory limit for other types of assessments, however County and common state-wide practice has been a 2% maximum. The increased amount takes into consideration other program qualifications and requirements such as lien to value ratio, increased value, and ownership history that is not considered in other types of assessment districts where the 2% is standard.

Attachment A is a red-line version of the amended Program Report and Administrative Guidelines.

<u>Item 3. a. Ratify A Change in the Assessment Interest Rate from 7.25% to 6.0%</u>
Since the assessment interest rate charged to property owners was initially set, in February of 2010, interest rates have remained relatively low. Therefore, it is appropriate to align the assessment interest rate to be consistent with current market rates. An assessment interest rate that is more competitive and in alignment with current market rates is expected to increase property owner participation.

<u>Item 3. b. Ratify a Change in the Bond Interest Rate from 3% Fixed to a Step-Up Structure Escalating from 1.25% to 5.0%</u>
Currently when the 7.25% assessment interest is collected from a property owner, a portion is allocated to pay interest on the bond held by the Treasurer's Investment Portfolio and a portion is allocated to reimburse the County for the administration of the mPOWER Placer Program. Specifically, of the 7.25% paid by participating property owners, 3% is allocated to pay bond interest paid to the Treasurer's Investment Portfolio, and 4.25% is allocated to reimburse the County for program administrative expenses.

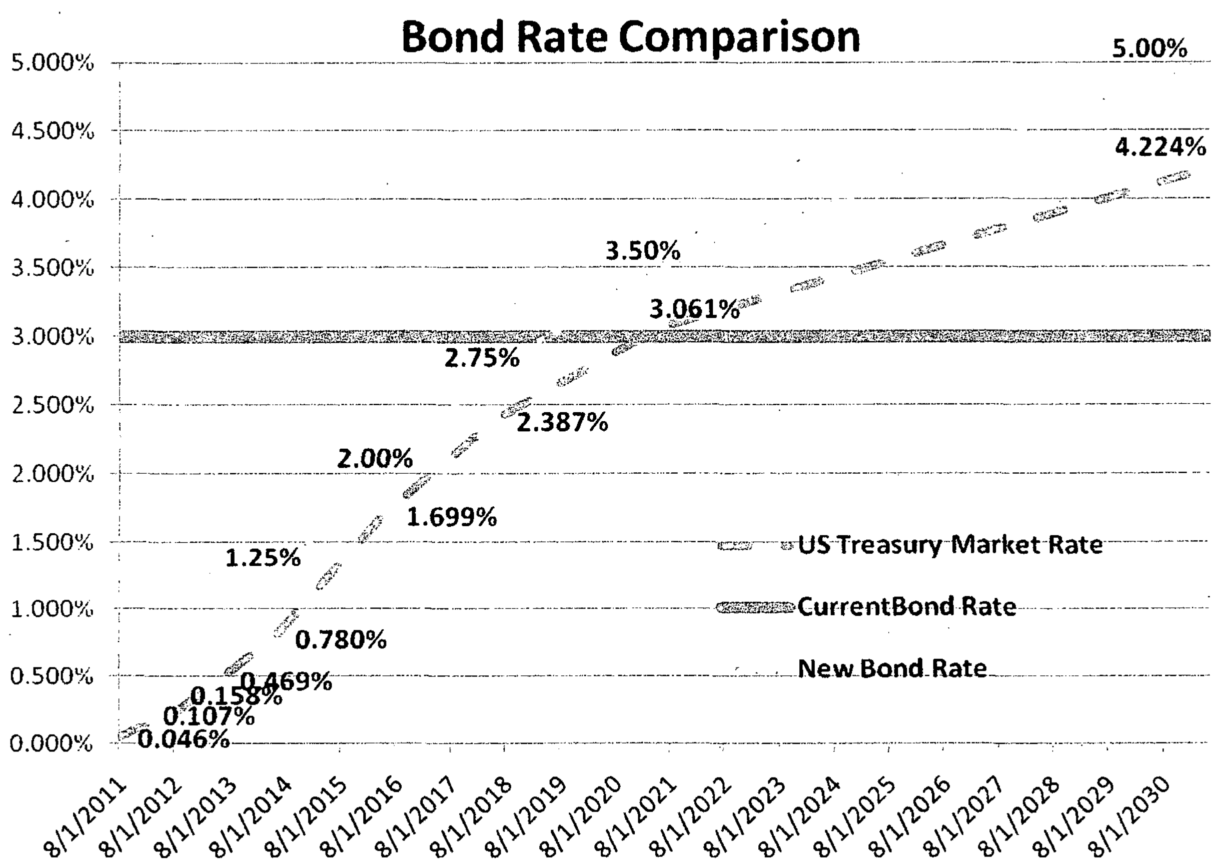
Reducing the assessment interest rate to participating property owners requires that the allocation to bond interest and program administrative expense reimbursement be adjusted as the 6% assessment rate is insufficient to maintain both the 3% bond rate and 4.25% reimbursement rate.

The program costs are greater for the assessment application and approval process which is completed in the first year of the assessment than for ongoing administration of the annual assessment. Once the assessment has been added to the property tax roll for collection, the annual expense is minimal.

The fixed rate structure for the bonds will change to a step-up structure escalating from 1.25% to 5.0%. The reimbursement rate will have an inverse relationship to the bond rate and will start at 4.75% and drop to 1.0% over the 20- year life of the financing. The 6.0% assessment rate charged to property owners will be allocated from year 1 – 20 between bond interest and program administrative cost reimbursement as follows:

Year	Assessment Rate	Interest to Bond	Interest to Program Reimbursement
1-3	6.0%	1.25%	4.75%
4-5	6.0%	2.00%	4.00%
6-7	6.0%	2.75%	3.25%
8-10	6.0%	3.50%	2.50%
11-20	6.0%	5.00%	1.00%

Below is a graph comparing US Treasury rates reflecting current market rates, the current 3% rate allocated to bond interest, and the new bond step-up rates which escalate from 1.25% to 5.0%.



The graph shows that the new bond rate is competitive when compared to the market rates for US Treasuries which represent similar investments that can be purchased for the Treasurer's Investment Portfolio. The graph also shows the relationship between the current 3% bond rate and the new escalating bond rate. While the new rate for the first seven years is less than the current rate of 3%, the rate increases above the current 3% rate for the remaining 13 years, providing a greater overall rate of return to the Treasurer's Investment Portfolio. The overall difference in dollars generated between the current bond rate and the escalating bond rate is marginal and not material to the Treasury depositors.

The new rate structure increases the program administrative cost recovery rate in the earlier years, and is more in alignment with program expenditures which are more significant at the initial stage of the assessment contract than they are in subsequent years.

The benefit of this change in the assessment interest rate and the bond interest rate and the program administrative cost recovery rate is:

- property owners will benefit from reduced interest costs,
- the County will benefit from accelerated program administrative cost recovery, and
- the Treasury depositors will benefit from increased interest earnings over the life of the bonds.

<u>Item 3, c. Authorize the Treasurer to Sign Documents</u>
The Board is requested to authorize the Treasurer to sign documents and to take other actions as necessary to implement the interest rate changes discussed above.

<u>Item 4, Marketing Contract:</u>
The feasibility study and business plan identified the need for the marketing of any AB811 program, due to the need to raise awareness and understanding of the program among all types of property owners. At the time, the feasibility study and business plan identified over $200,000 as necessary for an effective marketing effort. The 09/10 program budget included $115,000 for marketing, and the 10/11 program budget included $150,000 for marketing.

The commercial program has proceeded, but the program has not had an active marketing effort since the residential program was suspended. The residential program utilized the broader media to create program awareness and understanding to support residential property owner participation. The ongoing commercial program however, requires strategic marketing targeted to specific property owner groups and stakeholders that are key to commercial property such as property managers, commercial real estate brokers, trade associations and commercial contractors. The commercial program requires an active marketing effort to ensure its success as stated in the Feasibility Study and Business Plan.

The marketing contract (Attachment B) includes services for targeted outreach and messaging related to commercial property owners, development of collateral materials, identification and outreach related to targeted stakeholder groups such as energy efficiency related professional and trade organizations. It also includes services for updated web site content, video development to be used for program education and for direct advertising.

Additionally, one of the grant requirements is that mPOWER Placer Program includes marketing and outreach. Marketing costs are included in the current and proposed mPOWER budget; therefore no budget action is required of the Board.

Fiscal Impact:
These actions have no impact on the cash flow of the General Fund.

The 6.0% interest rate on assessments is expected to increase the volume of applications and the escalating rate structure of the bonds will accelerate the program cost recovery, while benefiting treasury depositors with increased investment earnings over time.

The current approved mPOWER Placer budget includes an allocation for marketing and additional funds are being provided from the California Energy Commission grant to help offset marketing costs.

Attachments: A: Program Report and Administrative Guidelines (redline version)
B: Marketing Contract

MPOWERPLACER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

DRAFT

Subject to Board of Supervisors Approval

AMENDED AND RESTATED AB 811 PROGRAM REPORT AND ADMINISTRATIVE GUIDELINES

Last updated: ~~May 18~~May 3, 2011~~, 2010~~

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PROGRAM REPORT AND ADMINISTRATIVE GUIDELINES
Table of Contents

I. INTRODUCTION

In July, 2008, the California Legislature approved Assembly Bill 811, which amended existing provisions in Chapter 29 of the 1911 Improvement Act to authorize cities and counties to establish voluntary contractual assessment programs to fund energy efficiency and renewable energy projects proposed by property owners. Subsequently, the California Legislature adopted Assembly Bill 474, amending Chapter 29 to allow the financing of water efficiency improvements. In AB 811 and AB 474, the California Legislature declared that a public purpose will be served by such programs, giving local governments the authority to finance the installation of distributed generation renewable energy sources – such as solar – and energy efficiency and water efficiency improvements that are permanently affixed to residential, commercial, industrial, agricultural or other real property. In this report, authorized improvements are collectively referred to as "Energy and Water Conservation Improvements" or "Improvements."

To make Energy and Water Conservation Improvements more economical and to promote their installation in order to advance the public purposes identified by the California Legislature, Chapter 29 provides procedures for authorizing **voluntary contractual assessments** to finance the cost of these improvements. The County has established the **Placer money for Property Owner Water & Energy Efficiency Retrofitting Program ("mPOWER Placer"** or the "Program") under Chapter 29 and will provide financing ("mPOWER Placer Financing") for Energy and Water Conservation Improvements with the consent of owners of the property on which the Energy and Water Conservation Improvements are to be made and on which contractual assessments will be levied.

Under Chapter 29, property owners will repay mPOWER Placer Financing through an assessment levied against their property which is payable in semi-annual installments on the County property tax bill.

A. Goals

mPOWER Placer will help property owners of improved real property make principled investments in the energy and water efficiency of their property. The goals of the Program are to increase energy and water efficiency resulting in decreased energy and water consumption, decreased utility costs for property owners, increased energy independence, increased investment in the local economy and reduced greenhouse gas emissions. By providing a long-term financing mechanism for Energy and Water Conservation Improvements the long-term health of the local, state, and national economy and global environment will be improved.

As a result of reduced greenhouse gas emissions and to help meet future greenhouse gas reduction goals, credits or any other environmental benefits that may be attributable to Improvements financed by mPOWER Placer, will be owned and held by the County of Placer (on behalf of the mPOWER Placer Program), unless specifically exempted.

B. Program Benefits

mPOWER Placer provides multiple benefits. By enabling property owners to take responsible energy and water conservation actions, the Program will reduce their utility bills.[1] At the same time it boosts the local economy. It improves congestion on the California power grid. And, it improves national energy independence, and may help Placer County to fulfill future energy and water conservation and climate protection goals.

The Program can be a key element in achieving greenhouse gas reduction goals. mPOWER Placer provides a significant tool for directing more resources into the shift to greater efficiency and renewable energy. Lower energy use translates directly into reduced greenhouse gas emissions and helps secure our energy future. Reducing water use helps conserve our finite water supply and saves even more energy.

For property owners, mPOWER Placer offers a no-money-down means of financing Energy and Water Conservation Improvements, fixed-rate financing over a number of years, a streamlined financing and repayment process, and access to financing that may not readily be available through traditional means, such as ~~home~~ equity loans.

C. Program Administration

The Treasurer-Tax Collector is authorized to enter into contractual assessments on behalf of the County. The Treasurer-Tax Collector will oversee professionals from the Treasurer-Tax Collector's Office and other County staff, ("mPOWER Placer Staff") in administering the Program.

In addition, a Program Steering Committee will be responsible for establishing program policies and procedures, The Program Steering Committee will consist of a representative from the Treasurer's Office, a representative from the Tax Collector's Office, a representative from the Auditor's Office, and a representative from the County Executive's Office; an attorney from County Counsel will advise the Committee. The Program Steering Committee will meet on a biweekly basis or as needed. The Committee will review Program policies and procedures as needed to ensure that the Program is operated in an efficient, effective and compliant manner. It will also review various program reports such as volume of applications received and approved, Improvements requested and funded and overall program results and outcomes.

The Committee will be responsible for approving or denying applications for financing in an amount greater than $60,000 and less than $500,000. For applications greater than $500,000, the Committee will make a recommendation to the Treasurer-Tax Collector regarding approval. After review of the Committee's recommendation, the Treasurer-Tax Collector will make a final recommendation to the Board of Supervisors and prepare the application for the Board of Supervisor's agenda.

[1] mPOWER Placer and Placer County do not guarantee savings on utility bills. mPOWER Placer ~~highly recommends~~requires that a property owner consult with its utility company or other trained professionals to ensure that the proposed Improvements satisfy the property owner's energy-saving goals.

250

Projects will be approved or denied by a majority of the Steering Committee members in circumstances that do not meet straight forward application criteria.

The mPOWER Placer office will be located ~~initially~~ in the ~~the Community Development and Resource Agency Building~~Treasurer Tax Collector's Office and will operate as a storefront where the public can speak with mPOWER Placer Staff and apply for funding to mPOWER Placer. The Program may also operate from mobile locations from time to time. A web site is also maintained to provide Program information. Presently, the Placer County Treasurer-Tax Collector, in support of mPOWER Placer, will be hosting a website where the public and program participants can obtain information and apply to mPOWER Placer.

mPOWER Placer Staff responsibilities will include:

- Community outreach and education;
- Responding to property owners inquiries;
- Processing applications;
- Managing and tracking funds available for mPOWER Placer;
- Tracking and reporting individual and collective Energy and Water Conservation Improvements; and
- Working and coordinating with participating jurisdictions.

II. PROGRAM REQUIREMENTS

A. Program Report

In order to establish this Program, the County must prepare this report setting out how the Program will function (the "Program Report")[2]. The Program Report is the guiding document for mPOWER Placer and fulfills the statutory requirements that this report contain:

- A map showing the boundaries of the territory within which contractual assessments are proposed;
- A draft assessment contract between a property owner and the County; the draft "Agreement to Pay Assessment and Finance Improvements" (the "Assessment Contract") is attached as Appendix D;
- Program policies concerning contractual assessments, including:

[2] See California Streets and Highways Code Section 5898.22.

- a list of Eligible Improvements;
- identification of the County official authorized to enter into contractual assessments on behalf of the County;
- maximum aggregate dollar amount of contractual assessments;
- and a method for setting priority for applications in the event that requests appear likely to exceed the authorization amount;

- A plan for funding the Program; and

- Information on the County's cost of placing assessments on the tax roll.

B. Geographic Parameters

All cities and towns within the County have agreed, by adopting a resolution, to have properties within the incorporated area included in the Program and permit voluntary contractual assessments to be established within their jurisdictions. The County has entered or will enter into implementing agreements with each City and Town.

A map showing the County boundaries is attached as Appendix B.

C. Eligible Property Owners and Eligible Properties

Property owners may be residential, commercial, industrial, agricultural and other real property. Certain eligibility criteria must be satisfied. Financing may be approved if the following criteria are met, among others:

- Property title is vested in the applicant(s).

- Property owner is current on property taxes on the subject property and has not been in default for three years (or since he/she took ownership if less than three years).

- Property owner is not in bankruptcy and, if the property owner was subject to bankruptcy, it has been at least ~~five years since discharge~~seven years since filing of bankruptcy, and the property is not an asset in a bankruptcy proceeding.

- Property owner is current on mortgage(s). A notice of default must not have been filed against the property during the last five years (or since the property owner took ownership if less than five years).

- The property must not be subject to a mechanics', Internal Revenue Service, Franchise Tax Board or other involuntary liens.

- There must not be a civil court record within the last five years that demonstrates failure by the property owner to make payments with respect to the subject property.

- The contractual assessments levied to finance Energy and Water Conservation Improvements will constitute a ~~senior~~ lien on the subject property. ~~, which means pre-existing private liens, such as purchase money mortgages, will be subordinate to the contractual assessment lien.~~ Depending upon the underlying loan documentation, creation of the ~~senior~~ assessment lien could result in a default under existing loan documents or give lenders the right to take certain remedial action. For residential property, either (i) lender has given consent to mPOWER Placer Financing or (ii) borrower has given written notice to lender, and lender has not objected to participation in mPOWER Placer Financing. For non-residential property,[3] lender has signed an acknowledgement letter which states that the assessment contract will not constitute a default under its Deed of Trust.~~given consent to mPOWER Placer Financing.~~

- Without lender consent, except in limited circumstances, the principal amount of the contractual assessment may not exceed 10% of property value plus the value of the Energy and Water Conservation Improvements being financed. Value may be calculated in a number of ways, as appropriate, including (i) the assessed value as shown on the then current County real property tax roll (if the property owner is then contesting the value of the property, the assessed value will be deemed to be the lower amount claimed by the property owner), (ii) the appraised value, as determined in an appraisal performed by a qualified appraiser selected by the County, (iii) the market value based on Freddie Mac's Home Value Explorer or any other commercially-available automated valuation model or (iv) the market value based on any other valuation method selected by the County if a municipal bond rating agency will rate the bonds issued by the County to finance installation of the Energy and Water Conservation Improvements in the "A" category.

- Without lender consent, except in limited circumstances, the value of the property plus the value of the Energy and Water Conservation Improvements being financed must be equal to or greater than the total of (i) the principal amount of all outstanding private debt, (ii) the principal amount of any assessments (including the contractual assessments) and (iii) the allocable portion of any outstanding bonds issued under the Mello-Roos Community Facilities Act of 1982. The principal amount of any assessments and any outstanding bonds may be computed by rational means that would yield an amount reasonably proximate to the principle amount or by utilizing the actual outstanding principal or bond amount. Value will be measured as described in the previous paragraph.

- The property's aggregate tax rate (including ad valorem property taxes, the contractual assessments, other assessments and special taxes) may not exceed 25% of the value. Value will be measured as described in the paragraph preceding the previous paragraph.

- There may not be any public record of easements or covenants prohibiting the improvement.

[3] For mPOWER, "residential property" is defined as single-family properties with 1-to-4 residential units; "non-residential property" is all other property.

Property owners may make more than one application for funding under the Program if additional Energy and Water Conservation Improvements are desired by the owner.

D. Eligible Improvements

mPOWER Placer affords property owners in Placer County the opportunity to take advantage of a wide range of energy-savings and water conservation measures, consistent with the following provisions:

(1) mPOWER Placer Financing is intended for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy consumption, produces renewable energy, or reduces water use. However, mPOWER Placer Financing is also available for purchasers of new ~~homes and businesses~~structures that wish to add Energy and Water Conservation Improvements after taking title to the property.

(2) mPOWER Placer provides financing only for Improvements that are permanently affixed to real property.

(3) mPOWER Placer provides financing only for Improvements specified in Appendix A. Broadly, these include:

(a) Water Conservation Improvements;

(b) Energy Efficiency Improvements;

(c) Solar Systems; and

(d) Custom Measures.[4]

mPOWER Placer Financing is also available for projects that combine eligible Energy and Water Conservation Improvements, such as bundling of water conservation, energy efficiency and renewable energy measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a solar photovoltaic system.

mPOWER Placer will include a variety of measures relating to loading order:

[4] Large scale commercial or industrial projects requiring engineering design and meeting the financing threshold ($500,000) requiring approval by the Board of Supervisors ***or*** projects involving emerging technologies for Improvements that provide new ways to save or generate energy will be evaluated on a case-by-case basis.

- In general, mPOWER Placer will encourage energy efficiency improvements before renewable energy improvements.

- If grant funding is sufficient, mPOWER Placer will provide Home Energy Rating System ("HERS II") Energy Audits to residential applicants pursuant to the grant provisions. If grant funding is not sufficient, mPOWER Placer may require HERS II Energy Audits before allowing residential distributed generation installations to be financed.

- A site-specific energy audit is required for non-residential applications regardless of funding, except in limited circumstances.

- All applicants will be required to participate in a training session on energy efficiency and generation. The training program will educate the applicants about the Program, provide information on financing alternatives and consumer information on selecting a contractor and will provide educational emphasis on loading order used to achieve maximum energy reductions. ~~mPOWER Placer will offer web-based computer information to applicants to help them determine energy efficiency implementation options and the corresponding expected energy and cost savings that could be associated with each option.~~

- mPOWER Placer will only finance Energy and Water Conservation Improvements that are expected to generate savings over their useful life. "Savings" are generated when the expected monetary benefits of installing the Energy and Water Conservation Improvements over their useful life exceed the contractual assessment installments.

E. Eligible Costs and Program Fees

(1) Project Costs. Eligible costs of the Energy and Water Conservation Improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy audit consultations, labor, design, drafting, engineering, permit fees,[5] inspection charges, and recording fees, and pubic records search and title costs.

The installation of Energy and Water Conservation Improvements can be completed by a qualified contractor of the property owner's choice. Eligible costs do not include labor costs for property owners that elect to do the work themselves. For purposes of mPOWER Placer, "qualified contractors" are those contractors who are appropriately licensed for the Improvement proposed to be installed.

[5] All improvements, including those normally exempt from permit requirements, will require an inspection from the local jurisdiction (town, city, unincorporated area). Each jurisdiction sets its own permit and inspection fees. Final inspection by a building inspector will ensure that the Improvements were completed.

Property owners who elect to engage in broader projects such as home or business remodeling may only receive mPOWER Placer Financing for that portion of the cost of retrofitting existing structures with Energy and Water Conservation Improvements. Repairs and/or new construction do not qualify for mPOWER Placer Financing except to the extent that the construction is required for the specific approved Improvement. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

The value of expected rebates[6] but not the value of expected tax credits will be deducted from mPOWER Placer Financing. mPOWER Placer will include information about the tax credit in its presentations to property owners to ensure property owners consider whether to deduct the value of expected tax credits from their financed amount.

~~The Steering Committee will be responsible for approving or denying applications for financing in an amount greater than $60,000 and less than $500,000. For applications greater than $500,000, the Committee will make a recommendation to the Treasurer-Tax Collector regarding approval. After review of the Committee's recommendation, the Treasurer-Tax Collector will make a final recommendation to the Board of Supervisors and prepare the application for the Board of Supervisor's agenda.~~

(1) Program Fees. The following program costs and fees will be the responsibility of the property owner. The annual assessment fee will be included on the annual tax statement. The other costs and fees may be paid at the time they are incurred, or may be added into the amount to be financed by the property owner:

(a) Public Record Search and Title Report costs, Regular costs are $65 for projects under $5,000, and $215 for projects $5,000 and over, but less than $500,000.

(b) Recording fee for the two documents required to be recorded in the real property records to evidence the contractual assessment: (i) the Notice of Assessment and (ii) the Payment of Contractual Assessment Required. The recording fee is set by the Recorder's Office. ~~, and is currently $9.00 for the first page and $3.00 for each page thereafter.~~

(c) Appraisal cost as charged by a qualified appraiser selected by the County should the property owner elect to have value determined through an appraisal. Residential appraisal fees are not expected to exceed $600 based on parameters such as square footage and acreage. Non-residential appraisal costs will based on property characteristics.

[6] "Expected rebates" do not include rebates (1) that are contingent on performance or (2) that are not available to the property owner at or shortly after completion of the project, so as to be available for use to pay for the project.

(d) Truth in Lending and assessment amortization calculation costs. These calculations are determined by an outside contractor at a cost of $50.00 per parcel.

(e) Assessment collection and processing costs will be added to the annual assessment on property tax bills. These costs are 1% of the annual assessment plus $10. This cost was determined after consultation with the County Auditor-Controller's Office and a third-party assessment contractor.

(f) If a property owner wishes to receive multiple disbursements (which the County will consider only in appropriate circumstances), the multiple disbursements will be subject to an additional processing fee.

(3) OPTIONAL: Escrow fees. Some large projects, or projects with multiple contractors, may benefit from funding through an escrow process. If this process is selected by the property owner, the owner would select an escrow agent, and after the Assessment Contract is signed, the amount requested would be funded into the escrow account. Escrow instructions governing release of the funds would need to be approved by the Treasurer-Tax Collector. All fees related to this process would be the responsibility of the property owner but could be requested as part of Program funding. As in the Multiple Disbursement Assessment Contract, interest on the amount of the requested disbursement will begin to accrue as soon as the escrow is funded. Any amount not needed at the completion of the project must be returned to the Program, and will be deducted from the amount of the assessment lien.

(4) Debt Service Reserve Fund. A debt service reserve fund will be required as part of the mPOWER Placer Financing program. The reserve fund may be funded by one or more of the following sources: (i) the "spread" between the Placer mPOWER interim funding source interest rate and the mPOWER Placer Financing interest rate offered to the property owner, (ii) state and federal grant funds available for this purpose, and (iii) the mPOWER Placer Financing program, with the cost of the reserve fund paid by the contractual assessments.

F. Program Administrative Costs

The Program may elect to cover all or a portion of its costs through the "spread" between its interim funding source interest rate and the mPOWER Placer Financing interest rate offered to the property owner. Similarly, it may elect to recover mPOWER Placer costs through a spread between bond rates and assessment rates, or the spread between interest rates of any financial vehicle and assessment rates.

III. TRACKS FOR PARTICIPATION

There are four categories or "tracks" of technologies under which property owners may participate in the Program. Property owners may participate in more than one or any combination of tracks on the same or subsequent application. Eligible Improvements must meet specified minimum efficiency standards. A complete list of approved Improvements is set out in Appendix A.

A. The Water Conservation Track

The Water Conservation Track covers a wide range of water conserving fixtures, including low flow toilets, tankless water heaters, low flow shower heads, and irrigation controllers.

B. The Energy Efficiency Track

The Energy Efficiency Track covers a wide range of energy efficiency fixtures from windows and doors, attic insulation to HVAC equipment that is Energy Star rated. Packaged and central air conditioning systems must meet specified minimum efficiencies.

C. The Solar Track

The Solar System Track covers solar energy generation and solar hot water systems.

D. The Custom Measure Track

The development of technologies is encouraged by Placer County as a means of diversifying the energy sources in the County. The Custom Measure Track will evaluate and provide funding, if appropriate, for innovative projects.

Applicants for the Custom Measure Track should consult with mPOWER Placer Staff to determine eligibility and will be required in most cases to submit engineering plans and other specifications. The Treasurer-Tax Collector, or designated staff, will approve the Custom Measure Track application on a case-by-case basis, and may request consultation from outside technology experts in making this decision. The Applicant would be expected to bear the cost of such consultation. Cost reimbursement would be discussed with the Applicant before the project was reviewed.

IV. Water Conservation, Energy Surveys, and Solar Site Checks

A. Residential Properties

Water conservation and energy audits are highly recommended but not required. By participating in mPOWER Placer, the property owner is investing in the future, by making improvement to their property that will lead to reduced water and energy usage and reductions in greenhouse gas emissions. The property owner is also making a financial investment; this decision should be made based on both the efficiency and the cost effectiveness of the Energy and Water Conservation Improvements. mPOWER Placer Staff recommend that property owners complete a water conservation and energy audit or survey to assess water conservation, energy efficiency, and renewable energy opportunities for the property. ~~Should the County be successful in receiving CEC grant funding to provide residential property owners with HERS audits, mPOWER Placer will provide HERS audits pursuant to the grant requirements. Additionally, r~~Residential property owners may obtain an onsite survey by hiring a HERS II rater, or equivalent. Property owners can also check with their local energy and water provider to see if free energy and water conservation surveys are available.

Onsite energy inspections/audits can provide the property owner with valuable information about how to maximize energy savings for the dollars invested. The auditor will make an on-site inspection of the property and evaluate the condition of the building and recommend an energy savings priority list, which will provide the greatest benefit for the money invested. These inspection/audits also provide valuable data on energy usage, savings and GHG emissions reductions, all of which are goals of mPOWER Placer. Costs incurred to conduct onsite audits or surveys may be included in the application for mPOWER Placer Financing.

B. Non-residential Properties

~~An onsite~~A site-specific energy audit is required, except in limited circumstances, for non-residential properties. Some energy providers offer free ~~onsite~~ site-specific audits for non-residential properties to help property owners determine the most cost-effective and efficient route to maximize investment and energy savings. Energy providers may provide an individual report tailored to the business describing energy-saving opportunities and analysis of potential savings. Non-residential property owners can also obtain a~~ HERS~~n energy audit and may include the cost in the application for mPOWER Placer Financing. Property owners can also check with their local water provider to see if free water conservation surveys are available.

V. PROGRAM PARAMETERS

A. Minimum Energy Financing Amount and Duration of Assessment

mPOWER Placer Assessment Contracts are available for up to 20-year terms to accommodate a wide range of efficiency measures and renewable energy investments. The minimum size for a mPOWER Placer Assessment Contract is $2,500. The term of contractual assessments established by a mPOWER Placer Assessment Contract will be equal to the shorter of (i) 20 years, (ii) the useful life of the financed Energy and Water Conservation Improvements or (iii) such other shorter period requested by the property owner.

B. Maximum Energy Financing Amount

There is no maximum "cap" for a mPOWER Placer Assessment Contract, subject to satisfaction of applicable underwriting criteria. The Committee will be responsible for approving or denying applications for financing in an amount greater than $60,000 and less than $500,000. For applications greater than $500,000, the Committee will make a recommendation to the Treasurer-Tax Collector regarding approval. After review of the Committee's recommendation, the Treasurer-Tax Collector will make a final recommendation to the Board of Supervisors and prepare the application for the Board of Supervisor's agenda.

mPOWER Placer Financing will be disbursed directly to the property owner after Energy and Water Conservation Improvements are completed and final documentation is submitted to mPOWER Placer Staff (except in connection with multiple disbursements in circumstances approved by mPOWER Placer Staff). Should the property owner choose, the property owner may assign disbursement to their contractor(s).

C. Maximum Portfolio

The County intends to initially fund mPOWER Placer with a commitment of up to $33 million provided through a financial arrangement with the County Treasury and utilizing the Placer County Public Financing Authority. The County will explore other financing opportunities, with the goal of expanding the Program to $50 million. The Program will be evaluated to determine demand and feasibility above $50 million, and this Report may be amended to increase the maximum aggregate dollar amount of voluntary contractual assessments above $50 million. In the event that requests appear likely to exceed the total authorized amount, financing will be approved on a first-come-first-served basis.

260

D. Assessment Interest Rate

The Treasurer-Tax Collector will set the interest rate for a mPOWER Placer Assessment Contract at the time the Program and property owner enter into the Assessment Contract. The interest rate will be fixed at that point and will not go up, although the County may reduce the rate for all Program participants if it is able to negotiate long term financing on sufficiently favorable terms to allow it to do so while still funding the Program costs.

The interest rate for the mPOWER Placer program will be determined periodically by the Treasurer-Tax Collector and ratified by the Board of Supervisors. The interest rate will be set with the intention of creating a self sustaining program at a rate that is competitively priced compared to financing options available through banking or other financial institutions, balanced with the ability to remarket the securities and encourage the future liquidity of the mPOWER Placer program. Initially, the Treasurer-Tax Collector will recommend a fixed rate of interest for the Program to be approved by the Board of Supervisors at the time of financing document approval.

E. Property Assessment Lien

All property owners must execute by notarized signature the mPOWER Placer Assessment Contract. Upon execution of the Assessment Contract, the Program will place a lien for the full amount of the assessment on the property that secures the assessment. If funds are disbursed to property owners before the third Thursday in July, an assessment installment will appear on the next tax bill. For disbursements made after the first business day of August, an assessment installment will not appear on the tax bill until the following tax year, and either (i) the first year's installments will include all accrued interest through the payment date or (ii) the property owner may elect to finance the first year's assessment installments as part of the mPOWER Placer Financing.

F. Delinquent Assessment Collections

Delinquent assessments will be collected using the laws and powers authorized under state statutes for collecting property taxes and assessments. The Board of Supervisors has adopted the alternative tax distribution plan known as the Teeter Plan. Where the County has incurred indebtedness to finance Energy and Water Conservation Improvements, state law also allows delinquent assessments to be collected through foreclosure proceedings to protect lenders.

VI. THE FINANCIAL STRATEGY

The County Treasurer will establish the mPOWER Placer Fund ("the Fund") and may accept funds from any available source and may disburse the funds to eligible property owners for the purpose of funding Energy and Water Conservation Improvements. Repayments will be made pursuant to Assessment Contracts between the property owners and County of Placer and will be collected through the property assessment mechanism in the Placer County property tax system.

The County will manage the mPOWER Placer program in one enterprise fund with multiple sub-funds. It is necessary to ensure that financings equal the County's receivables. Likewise, it is necessary to separate the County's funds for repaying bonds, etc. to ensure funds are available when payment is due. The Treasurer-Tax Collector has the authority to develop the necessary accounting structure needed to run the mPOWER Placer.

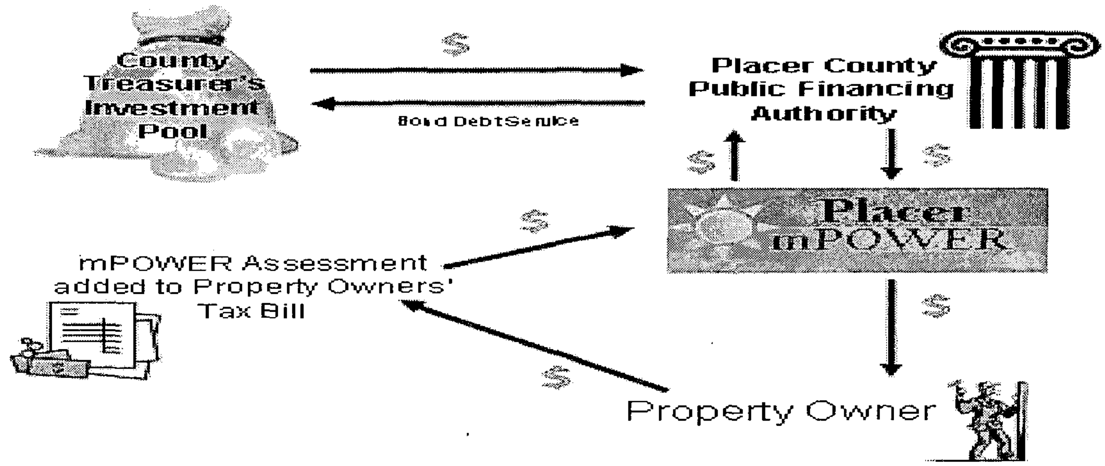
The Placer County Public Financing Authority (the "Authority") is a joint powers agency formed to assist the County with financings. The County and the Authority intend to cooperate in a financing arrangement whereby the Authority issues a bond or a series of bonds in an aggregate principal amount not to exceed $33 million to be purchased by the Treasurer for its Treasury Pool. The aggregate amount of bonds outstanding at one time and owned by the Treasurer for its Treasury Pool may not exceed five percent of the total Treasury Pool.

An example of a possible financing arrangement is briefly described below.

The Authority will issue one or more bonds (the "Bonds") in an initial principal amount not to exceed $33 million. The Bond(s) may be a single draw down bond, The Treasurer will purchase the Bond from the Authority for the Treasury Pool.

The Authority will make a loan (the "Loan") of the Bond proceeds to the County pursuant to a loan agreement between the County and Authority (the "Loan Agreement"). The County will use the Loan proceeds to finance the Energy and Water Conservation Improvements pursuant to the Assessment Contracts and to pay Program administrative costs. The Loan Agreement will obligate the County to repay the Loan from the assessments received by the County pursuant to the Assessment Contracts (excluding the annual administrative assessments to be paid by the property owners). In turn, the Authority will repay the Bond from the loan payments paid by the County pursuant to the Loan Agreement.

When the mPOWER Placer program is ready to advance funds to property owners in connection with a designated group of Assessment Contracts (i.e., typically, the Energy and Water Conservation Improvements have been completed and inspected) the principal balance of the bond will be adjusted to reflect the aggregate amount advanced by the County pursuant to the Assessment Contracts and to pay Program administrative costs.,



Each year, the County may use assessment revenues in excess of the amounts needed to repay the Loan to fund a reserve account and a program expense account. Moneys in the reserve account will provide additional security for the repayment of the Loan. Moneys in the Program expense account may be used to pay or reimburse the County for expenses to administer the mPOWER Placer Program. The County may use surplus funds that remain after the payment of the Bond at maturity or upon early redemption for any lawful purpose for the Program.

The County will use revenues from the assessment interest rate and administrative assessment provided for in each Assessment Contract to pay for the administrative expenses of the County and Authority in connection with the Bond and the collection of the assessments. The assessment interest rate will cover the cost of administering the Program. The annual administrative expense is expected to be 1% of the annual assessment to cover the Auditor's cost of placing the charge on the tax roll plus $10, to cover the Treasurer's cost of the administering the annual assessments.

For long-term and additional financing, the Treasurer-Tax Collector will explore funding opportunities from a number of other potential funding sources, which may include but are not limited to funds under the control of the Board of Supervisors; the issuance of notes, bonds, or agreements with utilities or public or private lenders, other governmental entities and quasi-governmental entities such as, CalPERS and Cal STRS; or any financing structure allowed by law.

The Treasurer-Tax Collector in consultation with the County Executive Officer has the authority to establish an mPOWER Placer budget to be approved by the Board of Supervisors.

263

VII. CONSUMER PROTECTION

The mPOWER Placer program is subject to certain State and federal laws designed to protect consumers. Among other things, these laws require the County to disclose information to property owners and, only during the three-day period following execution of the Assessment Contract, guarantee a property owner the right to rescind the Assessment Contract without penalty. The County will comply with all applicable State and federal laws in connection with the mPOWER Placer program.

VIII. CHANGES TO REPORT

This Program Report may be changed from time to time. No such changes will adversely affect the amounts payable by a property owner under an existing Assessment Contract. The Treasurer-Tax Collector may make changes to this Report that the Treasurer-Tax Collector reasonably determines are necessary to clarify its provisions. Any changes to this Report that materially modify the mPOWER Placer Program will only be made with the approval of the Board of Supervisors.

The Treasurer-Tax Collector may modify from time to time the Eligible Improvements List, and Assessment Contract attached hereto as Appendix A, and Appendix C, respectively, as deemed necessary by the Treasurer-Tax Collector to effectuate the purposes of the Program.

APPENDICES

APPENDIX A: Eligible Improvements

mPOWER Placer provides funds for a number of equipment types, including water conservation measures, energy efficiency measures, solar systems, and other innovative, energy-saving and energy generation custom measures, only to the extent that the improvements are permanently attached to the property. In each case, if a rebate is available to the property owner to be applied to the purchase price, that amount must be deducted from the amount of financing requested.

I. WATER CONSERVATION MEASURE

A. Residential Indoor Water Conservation Measures

(1) High efficiency toilets (average flush volume of 1.28 gallons or less)

(2) Dual Flush Toilets

(3) Showerheads (1.75 gpm)

(4) Bathroom aerators (1.5 gpm)

(5) Hot water delivery options, as defined by the Energy Star "Volumetric Hot Water Savings Guidelines"

(a) Hot water recirculation systems use a hot water circulating pump to pump hot water from the water heater, through the hot water piping, and back to the water heater through an additional length of pipe that runs from the furthest fixture back to the water heater.

(b) Demand initiated hot water systems use a recirculation pump to rapidly pull hot water from a water heater while simultaneously sending cooled-off water from the hot water lines back to the water heater to be reheated.

(c) Whole house manifold systems consist of a manifold (trunk line) connected to the water heater from which individual pipes (twigs) are connected to each water fixture.

(d) Core plumbing systems are hot water distribution systems where water volumes in the pipes are reduced by a combination of smaller pipe diameters and shorter pipe runs due to a centrally located water heater.

(6) Demand initiated water softeners, Energy Star rated

(7) Demand initiated or instantaneous hot water heater

(8) Hot water pipe insulation (minimum of R4)

B. Residential and Non-residential Outdoor Water Conservation Measures

(1) A weather-based irrigation controller, or Smart irrigation controller with a rain shut off device, uses weather data and site information such as plant type and sprinkler system output to adjust watering times and frequency. This provides more efficient watering, reduces water run-off and improves the heath of your landscape.

(2) Permanently installed rainwater cisterns.

(3) Drip irrigation systems in gardens, planters and beds. Drip irrigation can save up to 70% in water usage due to more efficient delivery.

(4) Matched precipitation sprinklers so that all spray patterns and radius deliver water evenly over the landscape area.

(5) Evapotranspiration based irrigation controllers

(6) Irrigation system retrofits:

a. Conversion of overhead spray to drip
b. Conversion of conventional spray nozzles to rotator nozzle

C. Non-residential Water Conservation Measures

(1) All applicable water conservation measures listed for "residential"

(2) Pre-rinse spray valves (.64 gpm)

(3) Urinals (pint)

(4) Waterless urinals

(5) Bathroom aerators (0.5 gpm)

D. Non-residential Custom Measures

(1) Industrial process water use reduction

(2) Recycled water source

(3) Deionization

(4) Filter upgrades

(5) Cooling condensate reuse

(6) Foundation drain water

(7) Cooling tower conductivity controllers

E. Residential and Non-residential Recycled Water Use (Custom Track Measures)

(1) Outdoor irrigation

II. ENERGY EFFICIENCY MEASURES

The **mPOWER Placer** provides services and funding for a wide range of Energy Star-rated efficiency measures, including many Energy Efficiency measures for which property owners can get rebates as well as **mPOWER Placer** funding. Except the HVAC equipment as noted below, efficiency measures must meet the performance criteria stated in the list of Eligible Improvements or the Energy Star minimum efficiency levels.

For all packaged and central air conditioning systems funded in this Program, the minimum efficiency levels shall be as required by the current minimum requirements set forth in List of Eligible Improvements.

All other proposed efficiency measures will be considered in the Custom Measure Track. Specifically, any energy efficiency measure eligible for a rebate(s) from a California utility is considered to be an Eligible Improvement.

The County of Placer anticipates that Energy Star requirements will "ratchet up" to greater efficiency levels over time. Energy Star will also become more inclusive of technologies over time. Thus, the **mPOWER Placer** will evolve with Energy Star and the market for energy-efficient technologies.

The following Energy Star measures – among others – are eligible in the Efficiency Track.

A. Residential Energy Efficiency Measures

(1) Geothermal exchange heat pumps

(a) Minimum efficiencies

(i) Ground source exchange open loop system ~~17.8~~18.2 EER or higher

(ii) Ground source exchange closed loop system ~~15.5~~16.1 EER or higher

(2) Home EV charging installations

(3) Whole house fans

(4) HVAC Systems

(a) Minimum efficiencies must meet current Energy Star minimums. Existing requirements:

(i) Split systems with ~~14~~14.5 SEER and12 ~~12.5~~ EER or higher rating with thermal expansion valve (TXV).

(ii) Natural gas furnaces of 90 AFUE or higher

(iii) Package systems with ~~14~~14.5 SEER and ~~11~~ 12 EER or higher rating with thermal expansion valve (TXV).

(iv) Meet applicable duct sealing requirements (d) & (e) below

(b) Home energy management control systems

(c) Duct insulation: Meeting Energy Star guideline

(d) Duct sealing: Meeting Title 24 "alterations requirement".

(e) Duct replacement: Meeting Title 24 "alterations requirement"

(5) Evaporative Coolers and all water/ice based cooling units

(a) Cooler must have a separate ducting system from air conditioning and heating ducting system

(b) Maximum 5 gallons/ton-hour cooling

(6) Natural gas storage water heater, EF of 0.67 or higher and Energy Star listed

(7) Tankless water heater, EF of 0.82 or higher and Energy Star listed

(8) Solar water heater systems, rated by Solar Rating Certification Council

(9) Cool roof system as defined by the ~~2005~~ 2008 California Building Energy Efficiency Standards (also called the California Energy Code). Roofing replacement eligible under this program shall be:

(a) Tested and rated through the Cool Roof Rating Council (CRRC);

(b) Be labeled for its initial reflectance and initial emittance as determined in the CRRC tests and be labeled that the product meets Title 24, Section 118(i);

(c) Achieve at least a 0.75 initial emittance and 0.70 initial reflectance or, if the initial emittance is less than 0.75, have an initial reflectance of at least [0.70+ {0.34 x (0.75 – initial emittance)}];****and*** if applied as a liquid coating in the field, be applied at a minimum dry mil thickness of 20 mils* across the entire roof surface and meet performance requirements listed in the table shown immediately below:

Physical Property	ASTM*** Test Procedure	Requirement
Initial percent elongation (break)	D 2370	Minimum 60% 0 °F (-18 °C) Minimum 200% 73 °F (23 °C)
Initial tensile strength (maximum stress)	D 2370	Minimum 100 psi (1.38 Mpa) 73 °F (23 °C) Minimum 200 psi (2.76 Mpa) 0 °F (-18 °C)
Final percent elongation (break) after accelerated weathering 1000 h	D 2370	Minimum 40% 0 °F (-18 °C) Minimum 100% 73 °F (23 °C)
Permeance	D 1653	Maximum 50 perms
Accelerated weathering 1000 h	D 4798	No cracking or checking Any cracking or checking visible to the eye fails the test procedure
NOTE: Aluminum-pigmented asphalt roof coatings and cement-based roof coatings are not required to meet this table. The former must meet ASTM D2824, D6848, and D3805 and the latter must meet greater dry mil thicknesses (depending on the substrate) and meet ASTM D822. Details are found in Standards Section 118(i)3.		

(10) Reflective roofs and coatings

(11) Insulation
(a) Zone 11: Attic: R30 Walls: R13 Floors: R19 ~~Attic: R38 minimum~~
(b) ~~Wall: R13 minimum~~Zone 16 Attic: R38 Walls: R25 Floors: R25

(12) Reflective insulation, radiant barriers

(13) Attic fans with thermostat control

270

(14) Windows and glass doors following Energy Star Guidelines for U Value and solar heat gain coefficient. Currently,
(a) Zone 11 U value≤ ~~U value of 0.40~~035 SHGC ≤ 0.30
(b) Zone 16- ~~or less and solar heat gain coefficient of~~U-value ≤ ~~0.40~~0.30 SHGC≤ 0.40 ~~or less.~~

(15) Window filming, in compliance with the NFRC glazing attachment ratings for solar heat a gain and visible transmittance

(16) Weather-stripping, following Energy Star guidelines

(17) Home sealing, following Energy Star guidelines

(18) Skylights following Energy Star Guidelines for U Value and solar heat gain coefficient. Currently,
(a) Zone 11 U value ≤ ~~U Value of 0.60~~0.57 SHGC ≤ 0.30
(b) Zone 16 U value ≤ 0.55 ~~or less and solar heat gain coefficient of 0.40~~; SHGC ≤ 0.40 ~~or less.~~

(19) Solar tubes

(20) Additional building openings to provide additional natural light, windows and doors must meet the Energy Star ~~rating U value of 0.40 or less~~ratings listed in Item (14)

(21) Lighting, Energy Star listed (hardwire only) (no bulb only retrofits)

(22) Pool equipment

(a) Pool circulating pumps (must be variable speed or greater than two speeds with controllers)

(23) EPA certified wood stoves or wood heating appliances independently tested by an accredited laboratory to meet a particulate emissions limit of 7.5* grams per hour for non-catalytic wood stoves and 4.1* grams per hour for catalytic wood stoves.

B. Residential Energy Efficiency *Custom* Measures

(1) Passive solar (heating/cooling)

C. Non-residential Energy Efficiency Measures

(1) Heating, ventilating and air conditioning systems ("HVAC")

(a) Minimum efficiencies meeting CEE Tier One Standards. Currently:
   (i) Split systems with ~~14~~ 16 SEER or ~~12~~ 13 EER
   (ii) Package systems with ~~13~~ 14 SEER or ~~11~~ 12 EER

(2) Geothermal exchange heat pumps

   (a) Minimum efficiencies
      (i) Ground source exchange open loop system ~~17.8~~16.2 EER *or higher*
      (ii) Ground source exchange closed loop system ~~15.5~~14.1 EER or higher

(3) High efficiency electric hand dryer

(4) All applicable energy efficiency measures listed in "Residential" section

(5) Lighting
   (a) LED exit signs
   (b) Lighting control and sensors
   (c) <30 watt T8 retrofits for fluorescent replacements
   (d) Custom lighting retrofits with 30% or greater energy reduction

D. Non-residential Energy Efficiency *Custom* Measures

(1) Building energy management systems that are DDC controlled. (Electronic-not pneumatic).

(2) Lighting control systems, which shall include occupancy sensors and other energy saving measures

(3) HVAC duct zoning control systems

(4) Motors and controls (processing or manufacturing equipment) Where available, motors must be "NEMA" standard for "Premium" level efficiency.

(5) Customer electric vehicle plug-in station

III. SOLAR EQUIPMENT

Solar track funding is available for a wide range of solar equipment. mPOWER Placer funding will be available for photovoltaic equipment and installers listed by the California Energy Commission. Solar thermal equipment must be rated by the Solar Rating Certification Council (SRCC). As with efficiency measures, if a rebate is available to the property owner to be applied to the purchase price, that amount must be deducted from the amount of financing requested. Eligible solar equipment for both residential and non-residential properties includes:

(1) Solar thermal systems (hot water)

(2) Solar thermal systems for pool heating

(3) Photovoltaic systems (electricity) meeting CEC equipment standards.

  (a) Battery back-up systems will be allowed

  (b) Funding for off-grid systems will be allowed

  (c) PV systems can be sized to accommodate plug-in electric vehicles

  (d) Plug in stations

(4) Emerging technologies – following the Custom Measures Track

  (a) Nano/thin film photovoltaic

  (b) High intensity (parabolic solar panels)

IV. CUSTOM MEASURES

The Custom Measures Track is a process by which mPOWER Placer Staff can evaluate and fund projects that are not "off the shelf" improvements listed in the eligible Water Conservation, Energy Efficiency or Solar Measures. These custom projects may involve large scale industrial or commercial energy efficiency improvement projects, such as process or industrial mechanical systems, renewable energy sources and energy generation, other than the solar system (photovoltaic), such as geothermal, and potentially fuel cells, as well as more complex and cutting edge energy management solutions and emerging technologies. The Custom Measure Track will evaluate and provide funding, if appropriate, for these innovative projects.

Applicants for the Custom Measure Track should consult with mPOWER Placer Staff to determine eligibility and will be required in most cases to submit engineering plans and specifications. A mPOWER Placer Custom Measure's Track review/technical panel will meet to review the engineering documents and data for custom and emerging technology projects. mPOWER Placer may require an additional administrative fee for project evaluation by the technical review. In all cases, the County reserves the right to decline funding of a custom measure.

The following types of measures – among others – will be considered for mPOWER Placer funding through the Custom Measure Track:

A. <u>Energy Efficiency Custom Measures</u>

(1) Alternative energy generation (other than photovoltaic)

(2) Building energy management controls

(3) HVAC duct zoning control systems

(4) Irrigation pumps and controls

(5) Lighting controls

(6) Industrial and process equipment motors and controls

As these "Custom Measures" become Energy Star rated they will be included in the List of Eligible Improvements.

B. <u>Energy Generation Custom Measures</u>

(1) Fuel Cells

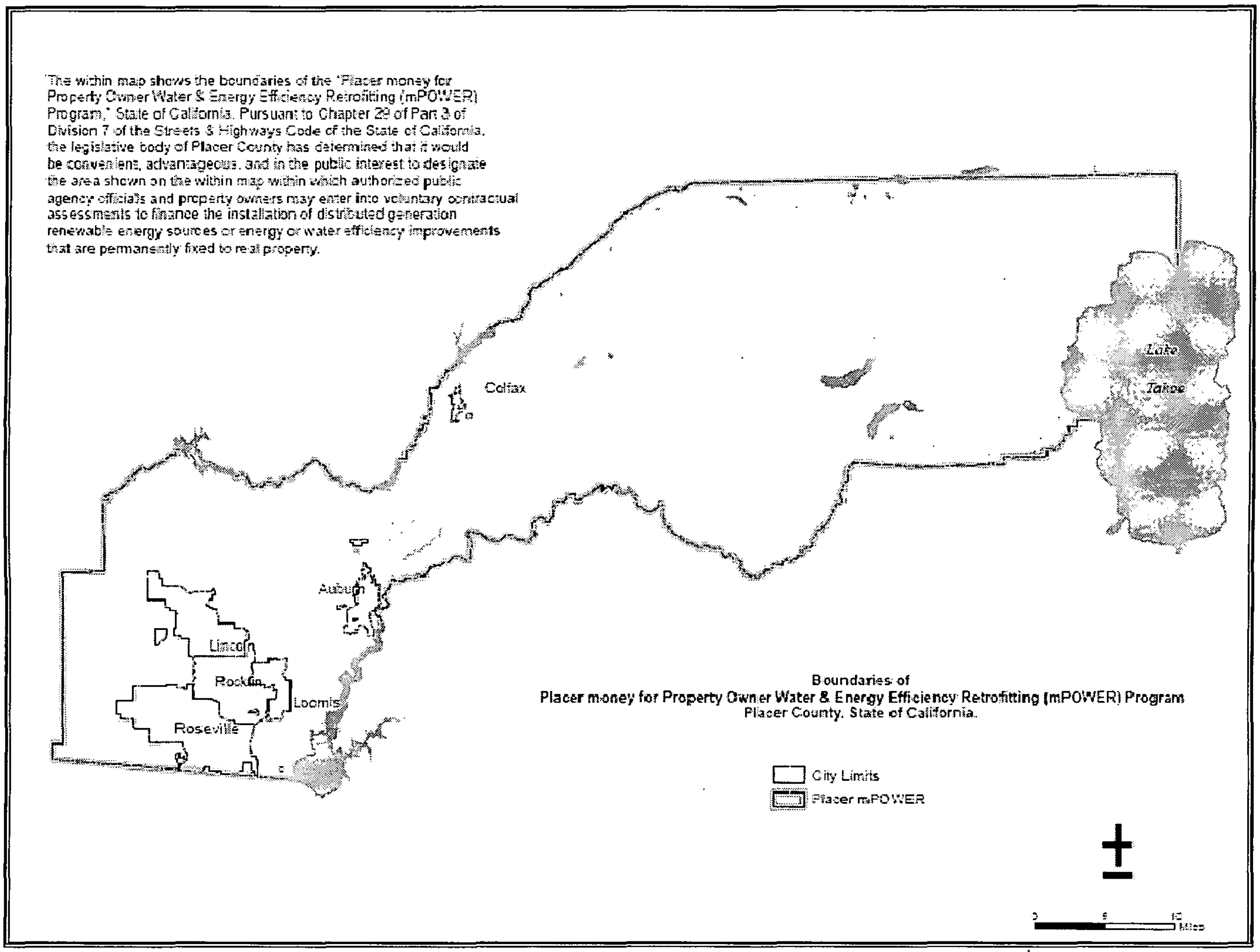
(2) Natural gas

(3) Hydrogen fuel

(4) Other fuel sources (emerging technologies)

(5) Co-generation (heat and energy)

APPENDIX B: Map of Program Area



275

<u>APPENDIX C: DRAFT ASSESSMENT CONTRACT Updated 5-4-2011</u>

AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

COUNTY OF PLACER
mPOWER Program

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this ______ day of ______, 20__, by and between the County of Placer (the "**County**") and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on <u>Exhibit A</u> (the "**Property**").

<u>**RECITALS**</u>

WHEREAS, the County has established the "Placer money for Property Owner Water & Energy Efficiency Retrofitting Program" (the "**mPOWER Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the County has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the County; and

[If located in incorporated territory of a town or city] WHEREAS, the [Town/City] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the mPOWER Program and (ii) the County conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act or entering into other financing arrangements to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the County and the Property Owner wish to enter into a contract pursuant to which the Property Owner will agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in <u>Exhibit B</u> (the "**Improvements**") and the County will agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the County formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the County are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The County will not finance installation of Improvements other than those listed on Exhibit B.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner is the current owner of fee title to the Property and the undersigned possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The County will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the County issues a bond or enters into another financing relationship to finance installation of the Improvements on the Property before the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the County issues a bond or enters into another financing relationship to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the County issues bonds or enters into another financing relationship to finance installation of Improvements on the Property.

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay the additional assessment (the "**Non-Completion Assessment**") identified on Exhibit A in the event that the Property Owner fails to install the Improvements in compliance with the mPOWER Program rules or otherwise fails to meet the conditions established by the County for financing through the mPOWER Program. The Property Owner acknowledges that the purpose of the Non-Completion Assessment is to pay any costs incurred by the County in order to release the lien of the Assessment on the Property. The Property Owner further acknowledges that the Non-Completion Assessment will be levied in full by the County as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the County is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the County may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid principal component of the Assessment, (b) the accrued but unpaid interest component of the whole or applicable portion of the unpaid principal component of the Assessment through the prepayment date, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the County related to such prepayment.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind in the event that the bonds or other financing relationship secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the County has the right to have the delinquent installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold to finance the Improvements or if the County enters into any other financing relationship in order to finance the Improvements, the County may obligate itself, through a covenant with the owners of the bonds or the provider of any other financing relationship, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The County hereby agrees to use the Assessment to finance the Improvements, including the payment of the County's reasonable costs of administering the mPOWER Program, subject to the Property Owner's compliance with the conditions for such financing established by the County.

(b) Assessment Installments. The Property Owner agrees to the issuance of bonds or the entry into any other financing relationship by the County to finance the installation of the Improvements. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the County determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the bonds or other financing relationship issued or entered to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the County by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the County may provide the Property Owner with a schedule of annual Initial

Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

Section 6. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the County, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the County to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the County undertaken in connection with the mPOWER Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby represents that the Improvements are intended to be permanently fixed to the Property and the Property Owner covenants not to remove the Improvements for use on any other property. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the County is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the County has no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the County and any and all agents, employees, attorneys, representatives and successors and assigns of the County from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the County and any and all agents, employees, attorneys, representatives and successors and assigns of the County.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: ______ ______ ______

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the County and any and all agents, employees, attorneys, representatives and successors and assigns of the County, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with, (i) the Assessment, (ii) the financing by the County of the Improvements, (iii) the Improvements, (iv) or any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 11. Right to Inspect Property. The Property Owner hereby grants the County, its agents and representatives the right to enter and inspect the Property at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the County, its agents and representatives the right to examine and copy any documentation relating to the Improvements and to work with applicable utility providers to calculate the benefits attributable to the Improvements.

Section 12. Environmental Benefits. The Property Owner hereby agrees that any credits or other environmental benefits attributable to the Improvements shall be owned by the County.

Section 13. mPOWER Application. The Property Owner hereby represents and warrants to the County that the information set forth in the mPOWER Program Application submitted to the County in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the mPOWER Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the County and the Property Owner.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the County, the Property Owner and their respective successors and assigns.

The County has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the County's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The County and the Property Owner agree that they will, 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 out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Placer, State of California.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the County and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

COUNTY OF PLACER

By:__________________________________

Signature: _____________________________

Its: __________________________________

The following are the authorized signatories of the Property Owner:

Name:____________________________ By:_______________________________ Its:_______________________________	Name:____________________________ By:_______________________________ Its:_______________________________
Name:____________________________ By:_______________________________ Its:_______________________________	Name:____________________________ By:_______________________________ Its:_______________________________

GENERAL ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF PLACER COUNTY } SS

On ______________________, before me, ______________________, Notary Public, personally appeared ______________________

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________

EXHIBIT ~~A~~1

Agreement Number: ________________________________

Property Owner: ________________________________

____

Property (APN/Legal Description): ________________________________

____

Prepayment Premium: 1st year = 5% of amount prepaid
2nd year = 4% of amount prepaid
3rd, 4th, and 5th year = 3% of amount prepaid

~~Prepayment Premium:~~ ________________________________

Interest Rate Used to Calculate Initial Assessment Installments: 6%

____

~~Non-Completion Assessment: The Non-Completion Assessment will include an amount necessary to pay the County's costs related to the release of the lien of the Initial Assessment on the Property.~~

284

EXHIBIT ~~B~~2

IMPROVEMENTS

Description:

Improvement: ______

Size/Amount: ______

Annual Production (photovoltaic): ______

Components: ______

Other: ______

~~The Improvements are described on the attached documentation.~~

286

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

(assumes the first year's installments are not capitalized)

Fiscal Year	Principal *(a)**	Interest *(b)**	Administrative Expenses *(c)***	Total *(a)* + *(b)* + *(c)*

Total Initial Assessment: $____________

* Assumes bonds are issued by the County or the County enters into another financing relationship to finance installation of the Improvements 30 days after the date of the application for contractual assessment financing submitted with respect to the Property.

** Subject to increase pursuant to Section 3(c) of the Agreement.

SCHEDULE 2
INITIAL ASSESSMENT INSTALLMENTS

(*assumes the first year's installments are capitalized*; it will be necessary to capitalize the first year's installments if the County issues a bond or enters into another financing relationship to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments on the property tax roll)

Fiscal Year	Principal *(a)*	Interest *(b)**	Administrative Expenses *(c)***	Total *(a)* + *(b)* + *(c)*

Total Initial Assessment: $____________

* Assumes bonds are issued by the County or the County enters into another financing relationship to finance installation of the Improvements 30 days after the date of the application for contractual assessment financing submitted with respect to the Property.

** Subject to increase pursuant to Section 3(c) of the Agreement.

~~[Attach notary pages]~~

289

APPENDIX D: SUMMARY OF FINANCING PROCESS

mPOWER Placer provides financing ("mPOWER Placer Financing") for the installation of energy efficiency improvements, water efficiency improvements and renewable energy sources that are permanently fixed to real property ("Improvements") in Placer County. Property owners will repay mPOWER Placer Financing through an assessment levied against their property, which is payable in semi-annual installments on the County property tax bill and includes an administrative expense component.

A. Project Scoping

The first step in the process is attendance in an information seminar that will provide a Program overview, discussion of financing alternatives, consumer information for selecting a contractor, and will provide educational emphasis on loading order used to achieve maximum energy reductions. The next step in the process is project scoping. For residential properties[7], water conservation and energy surveys are highly recommended but not required. By participating in mPOWER Placer, property owners are making a financial investment; this decision should be made based on both the efficiency and the cost effectiveness of the improvements. Conducting a water and energy audit will help property owners assess water conservation, energy efficiency, and renewable energy opportunities for their property. If grant funding is made available, the mPOWER Placer program will provide residential property owners with a HERS II or BPI survey. Additionally, residential property owners may obtain an onsite survey by hiring a Home Energy Rating System ("HERS II") rater, BPI certified rater, or equivalent. For more information, go to www.energy.ca.gov/HERS, or www.BPI.org.

For non-residential properties, an onsite energy audit is required to participate. Non-residential Property owners should check with their local electricity provider for possible free onsite audits.

Residential and non-residential property owners should also check with their local water provider to see if free water conservation surveys are available.

Costs incurred to conduct onsite audits or surveys may be included in ~~your application for~~ mPOWER Placer Financing.

Most property owners will work directly with contractors to determine the scope of their project.

As the project is defined, the property owner obtains a contractor's bid or determines the cost of the equipment if self-installing. Interested property owners can visit the mPOWER Placer office, located at ~~3091 County Center~~2976 Richardson -Drive Auburn, CA 95603 or contact mPOWER

[7] For mPOWER Placer, "residential property" is defined as single-family properties with 1-to-4 residential units; "non-residential property" is all other property.

Placer Staff at (530) ~~745-3590~~889-4174 or will be able to obtain information from the Program web site.

B. Program Application

The property owner visits the mPOWER Placer website or the mPOWER Placer office to complete a mPOWER Placer Program application form (the "Application"). The mPOWER Placer staff can also provide an Application by mail, e-mail or fax upon request.

The property owner submits the Application together with its required attachments. See Application for required attachments.

Applications will be processed once complete on first-come, first-served basis.

C. Public Records Search and ~~Title Check~~Confirmation of Title

mPOWER Placer staff will verify property ownership by performing a ~~title check~~public records search. Applicants are responsible for the costs of the title check as follows:

(1) Financing requests less than $5000: $65

(2) Financing requests $5000 to $499,999: $215

(3) Financing requests $500,000 and above contact mPOWER Placer for estimate.

Public Records Search and Title costs may be included in the mPOWER Placer financing request.

D. Application Review

During the Application Review process, mPOWER Placer staff verifies that:

(1) The Application is complete and accurate;

(2) The property owner(s) owns the Property;

(3) The Property is developed and within the County;

(4) The Property meets applicable eligibility criteria;

(5) The property owner has executed all declarations required in the Application;

(6) The proposed Improvements and costs are eligible to be financed under the Program. If the proposed Improvements are part of a project that includes new construction (e.g., a room addition), the costs of the work have been properly allocated between adding mPOWER Placer Improvements and new construction;

(7) All required documents have been submitted (including for non-residential properties, onsite energy audit report);

(8) mPOWER Placer funding is available. Within 15 business days of receipt of an application, mPOWER Placer Staff notifies the property owner if the application is incomplete, approved, denied or requires additional approval.

(9) Incomplete. An application shall be deemed incomplete if it is missing any information or attachments the property owner is required to provide. Incomplete applications may be resubmitted. mPOWER Placer Staff will process resubmitted applications on a first-come, first-served basis based upon the new receipt date.

(10) Approved. An application for up to $60,000 of financing shall be approved if mPOWER Placer Staff have verified all of the items in step (1) through (9).

(11) Denied. An application shall be deemed denied if mPOWER Placer Staff cannot verify any of the items in steps (1) through (9). mPOWER Placer will send a written denial notice. Property owners are free to submit a new or amended application, which will be processed on a first-come, first-served basis based upon the new receipt date. If an application is denied on the sole basis that mPOWER Placer funding is not available, the application does not need to be resubmitted; applicants will be placed on a waiting list based on the date of application receipt.

(12) Requires Additional Approval. Applications for mPOWER Placer financing between $60,000 and $500,000 require approval of the Program Steering Committee. The property owner will be notified that the application is complete and has been forwarded to the Steering Committee for approval. Applications for mPOWER Placer Financing of $500,000 or more require approval of the Board of Supervisors. The property owner will be notified that the application is complete and has been forwarded to the Treasurer-Tax Collector to prepare an agenda item for the Board of Supervisors. The property owner will be advised once a Board of Supervisors date is set.

(13) With respect to an application to finance a renewable energy system(s) other than solar (such as wind or geothermal) or a custom energy efficiency measure(s) (such as a combined heat and power system cogeneration system), or to finance an emerging technology ("Custom Measures"), mPOWER Placer Staff reserve the right to require the appropriate engineering documentation and energy studies showing the energy savings and/or energy generation capabilities of the proposed

project. mPOWER Placer Staff may also charge an additional administrative fee for this technical review to be discussed with the property owner before proceeding.

E. mPOWER Placer Financing Approval

Approval means that funds are reserved for the property owner's approved project for a 90-day period.

F. Permit

After receiving notice of Application approval, property owner (or contractor) must obtain a permit, if required, from the local building official. All Improvements, including those normally exempt from permit requirements, will require an installation verification inspection from the local jurisdiction (town, city, unincorporated area). Final inspection by the permitting jurisdiction will be required to ensure that the Improvements were completed.

A valid final inspection is required before mPOWER Placer can execute an Assessment Contract and reserve mPOWER Placer financing for a project.

G. Installation of Improvements

Property owner enters into a contractual arrangement directly with a contractor for Improvements unless the property owner is self-installing the Improvements. All work is subject to the appropriate jurisdiction's (county, city, or town) permitting and inspections and all other applicable federal state and local laws and regulations. All work must be completed, including the final inspection, within 90 days of Application approval. The property owner and the Treasurer-Tax Collector may agree to an extension of this completion date for good cause.

H. Progress Payments/Multiple Disbursements

If multiple disbursements have been approved, the property owner may request in writing that mPOWER Placer make a progress payment prior to the completion of the work, in which case the Assessment Contract will need to be signed prior to the first disbursement and interest will accrue on the assessment amount advanced at the time of the first disbursement. Progress payment requests must be filed with mPOWER Placer at least five business days before the disbursement date. The disbursement dates are the first and third Thursday ~~day~~ of the month. The following conditions must also have been met before disbursement is made:

(1) At least 75 percent of the required materials have been delivered to the property and have been reasonably secured as confirmed by an onsite inspection. mPOWER Placer Staff has the discretion to make its own determination with respect to whether this condition has been satisfied; and

(2) The requested progress payment does not exceed 50 percent of the maximum assessment amount.

I. Final Inspections; Final Financing Review

After Improvements are completed, the property owner must contact the local permitting agency for a final inspection and permit finalization. The property owner notifies mPOWER Placer that all work has been completed and submits final documentation: permit final approval; invoices showing all costs, less rebate amounts).

At this time, mPOWER Placer Staff will ask property owners to provide a current mortgage statement verifying that they are current in the payment of their mortgage and will confirm that the property is current in the payment of property taxes. mPOWER Placer staff will also obtain an updated public records and title search.

J. Assessment Contract

The Treasurer-Tax Collector, on behalf of the County, will enter into an Assessment Contract with the property owner.

All property owners of record must sign the Assessment Contract and have their signature(s) notarized. The Assessment Contract (Notice of Assessment) is recorded with the County Recorder's Office. A minimum of ~~T~~thirty days must elapse ~~prior to~~from the recording of the Assessment Lien to disbursement of funds~~below~~.

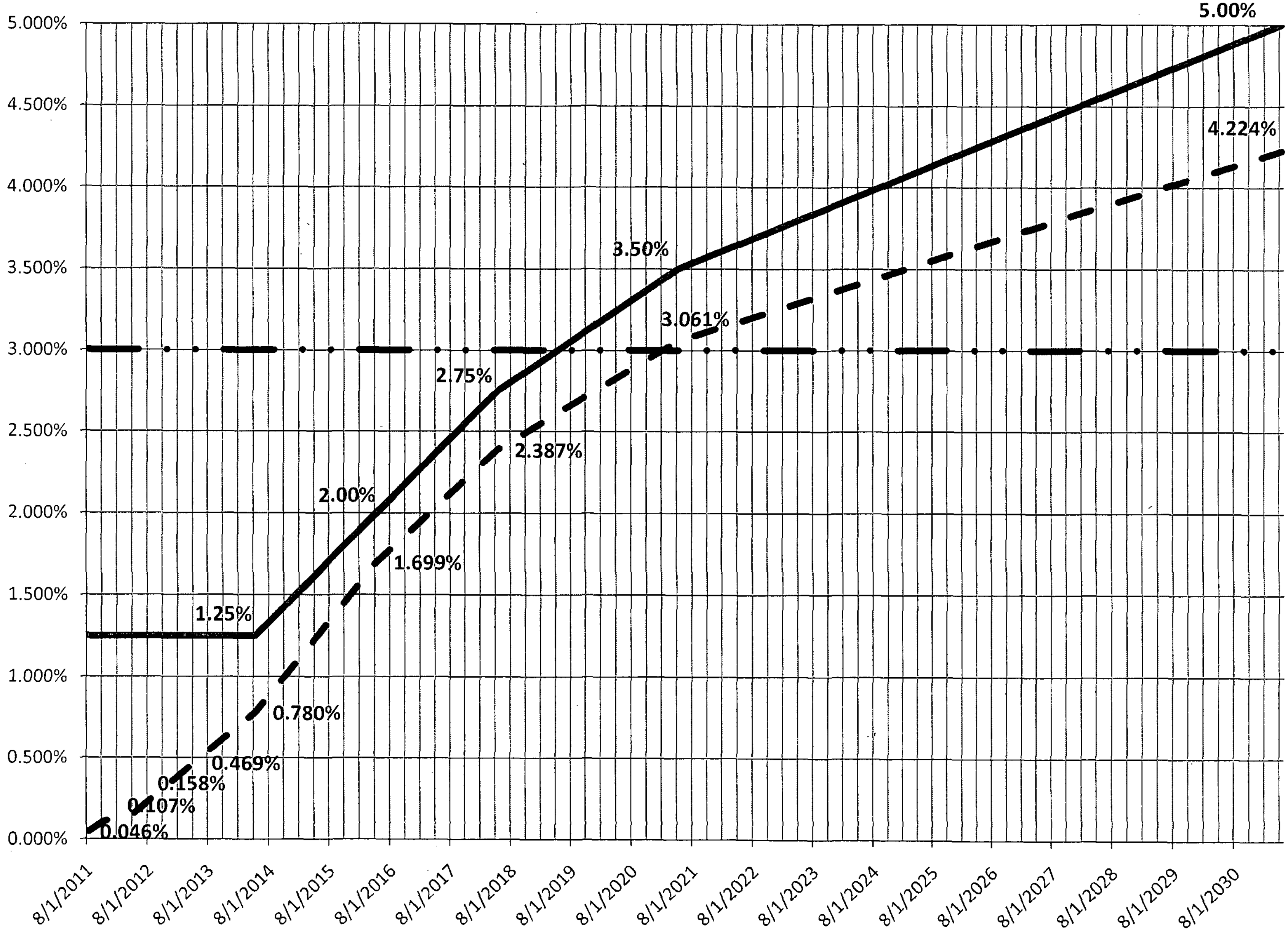
K. Assessment Lien

Upon execution of the Assessment Contract, mPOWER Placer records notice of the assessment in the County Recorder's office. The lien will be for the full amount of the assessment on the property that secures the assessment.

L. Disbursement of mPOWER Placer Financing

Checks will be processed on the first and third Thursday of each month, provided that all required final documentation has been filed with mPOWER Placer five days prior to the disbursement date. Interest begins to accrue as of the date of disbursement.

Bond Rate Comparison



DRAFT

Administering Agency: Placer mPOWER Program

Contract No.

Contract Description: **Marketing and Public Relations Services**

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made effective at Auburn, California, as of July 12, 2011, by and between the County of Placer, ("County"), and **Randle Communications, LLC** ("Contractor"), who agree as follows:

1. **Services**. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the services described in **Exhibit A**. Contractor shall provide said services at the time, place, and in the manner specified in **Exhibit A**.

2. **Payment**. County shall pay Contractor for services rendered pursuant to this Agreement at the time and in the amount set forth in **Exhibit B**. The payment specified in **Exhibit B** shall be the only payment made to Contractor for services rendered pursuant to this Agreement. Contractor shall submit all billings for said services to County in the manner specified therein, or, if no manner be specified, then according to the usual and customary procedures which Contractor uses for billing clients similar to County. The amount of this contract is not to exceed $132,000.00.

3. **Facilities, Equipment and Other Materials, and Obligations of County**. Unless otherwise specified in Exhibit C, Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials, which may be required for furnishing services pursuant to this Agreement.

4. **Exhibits**. All exhibits referred to herein will be attached hereto and by this reference incorporated herein.

5. **Time for Performance**. Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A shall constitute material breach of this contract.

6. **Independent Contractor**. At all times during the term of this Agreement, Contractor shall be an independent Contractor and shall not be an employee of the County. County shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement. County shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.

7. **Licenses, Permits, Etc**. Contractor represents and warrants to County that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Contractor to practice its profession. Contractor represents and warrants to County that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.

8. **Time**. Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the

extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

9. **Hold Harmless And Indemnification Agreement.** At all times during the performance of this agreement, Contractor agrees to protect, defend, and indemnify County in accordance with the provisions contained in Exhibit D.

10. **Insurance**. Contractor shall file with County concurrently herewith a Certificate of Insurance, in companies acceptable to County, with a Best's Rating of no less than A-:VII, for the coverage shown in Exhibit D. All costs of complying with these insurance requirements shall be included in Contractor's fee(s). These costs shall not be considered a "reimbursable" expense under any circumstances.

11. **Contractor Not Agent**. Except as County may specify in writing Contractor shall have no authority, express or implied, to act on behalf of County in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to this Agreement to Bind County to any obligation whatsoever.

12. **Assignment Prohibited**. Contractor may assign its rights and obligations under this Agreement only upon the prior written approval of County, said approval to be in the sole discretion of County.

13. **Personnel**.

A. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that County, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Contractor shall remove any such person immediately upon receiving notice from County of the desire of County for removal of such person or persons.

B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit A, Contractor agrees to perform the work under this agreement with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Contractor without the prior written consent of County shall be grounds for cancellation of the agreement by County, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.

14. **Standard of Performance**. Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to County pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.

15. **Termination**.

A. County shall have the right to terminate this Agreement at any time by giving 30-day notice in writing of such termination to Contractor. In the event County shall give notice of termination, Contractor shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event County shall terminate this Agreement:

1) Contractor shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting,

typewriting, printing, Photostatting, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.

2) County shall have full ownership and control of all such writings delivered by Contractor pursuant to this Agreement.

3) County shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Agreement not to exceed the amount documented by Contractor and approved by County as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in Exhibit B, and further provided, however, County shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Agreement. In this regard, Contractor shall furnish to County such financial information as in the judgment of the County is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which County may have in law or equity.

B. Contractor may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the County.

16. **Contract Term**. This agreement shall remain in place until the Scope of Services described in Exhibit A is completed, or until contract is terminated pursuant to Section 15 of this contract.

17. **Non-Discrimination**. Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.

18. **Records**. Contractor shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to County, and County shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this agreement, no payments shall be made to Contractor until County is satisfied that work of such value has been rendered pursuant to this agreement. However, County shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

19. **Ownership of Information**. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of County, and Contractor agrees to deliver reproducible copies of such documents to County on completion of the services hereunder. The County agrees to indemnify and hold Contractor harmless from any claim arising out of reuse of the information for other than this project.

20. **Waiver**. One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.

21. **Conflict of Interest**. Contractor certifies that no official or employee of the County, nor any business entity in which an official of the County has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Contractor agrees that no such person will be employed in the performance of this agreement without immediately notifying the County.

22. **Entirety of Agreement**. This Agreement contains the entire agreement of County and Contractor with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

23. **Alteration**. No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 15, Termination.

24. **Governing Law**. This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California, and Contractor hereby expressly waives those provisions in California Code of Civil Procedure §394 that may have allowed it to transfer venue to another jurisdiction.

25. **Notification**. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

COUNTY OF PLACER:	CONTRACTOR:
Placer County Treasurer Tax-Collector Attn: Jenine Windeshausen 2976 Richardson Drive Auburn, CA 95603	Randle Communications, LLC Attn: Mitch Zak 925 L Street, Suite 1275 Sacramento, CA 95814
Phone: 530/889-4140 Fax: 530/889-4100	Phone: 916/448-5802 Fax: 916/448-5872

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

Executed as of the day first above stated:

COUNTY OF PLACER

By: ______________________________

Printed Name/Title: ______________________________

Approved As to Form – County Counsel:

By: ______________________________

Randle Communications, LLC*

By: ______________________________

Name: ______________________________

Title: Partner

**If Consultant is a corporation, this agreement must be signed by two corporate officers, one of which must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer or other officers to bind the corporation.*

Exhibits

A. Scope of Work
B. Payment for Services Rendered
C. Facilities, Equipment and Other Obligations of County
D. Hold Harmless Agreement and Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

July 12, 2011 - June 30, 2012

- Develop a strategic outreach and marketing program to maximize awareness of and participation in the mPOWER Placer commercial program by educating and engaging commercial Stakeholders including:
  - Property Owners
  - Contractors
  - Potential Green labor force participants
  - REALTORS and Mortgage Professionals
  - Energy and Water Utility Providers
  - Local Government
  - Green Organizations
  - Professional and Trade Associations (representing trade contractors, construction companies, etc)
  - Banking industry representatives
  - Workforce Development Agencies
  - Agricultural Associations and Organizations
  - Manufacturers
  - Chambers of Commerce
  - Economic Development Officials

- Identify opportunities to highlight significant events related to the ongoing commercial mPOWER Placer program by continuing to engage various media including print, television, radio, online sites as well as stakeholder publications with news releases and targeted media outreach.
- Assist with the management of information inquiries by Stakeholders.
- Identify opportunities for publicity in trade and industry publications.
- Support participation in trade shows, community and business events by securing booths and ensuring that signage is available and that marketing and informational materials are produced and available for distribution.
- Develop contacts and arrange for mPOWER Placer Staff to make presentations to Stakeholder organizations to inform and encourage program participation by commercial property owners.
- Assist with the incorporation of Energy Upgrade California (EUC) and mPOWER Placer logo co-branding and marketing strategies as required by EUC grant.
- Build awareness and understanding of program elements including financing terms with key Stakeholders.

- **Website Content**
  - Add and expand content to the site to keep all program information current and live.
  - Work with staff to update the site content to include information on seminars, program partners, links and video.
  - Assist with ongoing site maintenance, edits and updates.

- **Collateral Development**
  - o Draft language and produce collateral to maximize awareness and participation in the commercial program.
  - o Document and profile success stories and case studies highlighting commercial property owners who have taken advantage of the program as a means to engage other property owners to apply. Highlight conservation strategies used, technologies installed, the effect of rebates, tax credits, depreciation and other incentives on cost reduction and shortened payback period, as well as, cost vs. savings projections including any increase to property value.
  - o Develop an mPOWER Placer e-newsletter, to be distributed to various Stakeholders and other potential program participants providing energy and water efficiency information, rebate and incentive opportunities, and other pertinent program information.

- **Video Development**
  - o Use video as a medium with which to educate property owners. The video will highlight the benefits of the mPOWER Placer commercial program as realized by local businesses who install the retrofits.

- **Direct Advertising**
  - o Evaluate efforts and their success to will help shape ongoing and future efforts.
  - o Explore additional opportunities to utilize paid advertising options as needed and recommend utilization of direct mail to targeted commercial property owners.

EXHIBIT B

PAYMENT FOR SERVICES RENDERED

To provide comprehensive outreach and awareness building, web and collateral design support, and implementation of the deliverables described in Exhibit A, billing will be based on an all-inclusive monthly (professional fee and general business expense) retainer of $11,000.00 per month beginning July 12, 2011 and concluding June 30, 2012. Major business expenses will be billed directly to the County by third party vendors, without markup of any kind, and only with prior County approval. Major business expenses could include, but are not limited to, event costs, video services, design, printing and advertising placement.

Fee Schedule
The monthly amount for services is not to exceed $11,000.00 per month not to exceed a total of $132,000.00. Randle will submit monthly invoices including a summary of project activities.

Invoices
Invoices shall be submitted to County in a form and with sufficient detail as required by County. Work performed by Contractor will be subject to final acceptance by the County program manager(s).

Submit all invoices to:

Placer County Treasurer Tax-Collector
Attn: Kimberly Hawley
2976 Richardson Drive
Auburn, CA 95603

Payment Schedule
A monthly retainer: $11,000.00 per month. To ensure efficiency, Contractor will bill against the monthly retainer at standard hourly rates. * If Contractor is able to implement the program and hours are less than the total retainer, County will be charged less. Contractor will not bill over the retainer if additional hours are required to get the job done. All project related hard costs (collateral printing, direct mail, event-related expenses) are the responsibility of the County and are not included in this contract.

*Randle Standard Hourly Rates:

President and CEO	$310	Senior Account Executive	$185
Partner	$295	Account Executive	$155
Senior Vice President	$285	Assistant Account Executive	$125
Vice President	$235	Account Coordinator	$90
Director	$215	Controller	$90
Media Relations Manager	$210	Support Staff	$55
Account Manager	$195		

EXHIBIT C

FACILITIES, EQUIPMENT, AND OTHER MATERIALS, AND OBLIGATIONS OF COUNTY

(Specify all equipment and facilities to be provided or made available by County, and any other County obligations.)

NOT APPLICABLE

EXHIBIT D

HOLD HARMLESS AGREEMENT AND INSURANCE REQUIREMENTS

1. <u>HOLD HARMLESS AND INDEMNIFICATION AGREEMENT</u>

Consultant is skilled in the professional calling necessary to the services and duties agreed to be performed and County relies upon the skills and knowledge of Consultant. Consultant shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant agrees to indemnify and hold harmless the County and its officers, agents and employees, from and against any and all liability, losses, damages, costs and expenses resulting from any professional malpractice of Consultant, its officers, employees, agents or subcontractors determined by a court of law to have occurred in the performance of services under this Agreement.

As used above, the term COUNTY means Placer County or its officers, agents, employees, and volunteers.

2. <u>INSURANCE</u>:

CONSULTANT shall file with COUNTY concurrently herewith a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A-:VII showing.

3. <u>WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE</u>:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars ($<u>1,000,000</u>) each accident for bodily injury by accident, one million dollars ($<u>1,000,000</u>) policy limit for bodily injury by disease, and one million dollars ($<u>1,000,000</u>) each employee for bodily injury by disease.

If there is an exposure of injury to CONSULTANT'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

<u>Cancellation Notice</u> - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer".

<u>CONTRACTOR</u> shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

4. <u>GENERAL LIABILITY INSURANCE</u>:

A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONSULTANT, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

(1) Contractual liability insuring the obligations assumed by CONSULTANT in this Agreement.

B. One of the following forms is required:

(1) Comprehensive General Liability;
(2) Commercial General Liability (Occurrence); or
(3) Commercial General Liability (Claims Made).

C. If CONSULTANT carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

→One million dollars ($1,000,000) each occurrence
→Two million dollars ($2,000,000) aggregate

D. If CONSULTANT carries a Commercial General Liability (Occurrence) policy:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) for Products-Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars ($2,000,000).

E. Special Claims Made Policy Form Provisions:

CONSULTANT shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) aggregate for Products Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

5. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

A. "The County of Placer, its officers, agents, employees, and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."

B. "The insurance provided by the Consultant, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."

C. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

6. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars ($1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

7. PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than one million dollars ($1,000,000) per occurrence, two million dollars ($2,000,000) aggregate.

If Consultant sub-contracts in support of Consultants work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the sub contractor in an amount not less than one million dollars ($1,000,000) in aggregate.

The insurance coverage provided by the consultant shall contain language providing coverage up to six (6) months following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.