

**OPERATING AGREEMENT BETWEEN
CONTRA COSTA COUNTY AND PACE PROVIDER FOR
PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING**

This agreement ("Agreement"), dated as of _____, 2017 ("Effective Date"), is by and between Contra Costa County, a political subdivision of the State of California (the "County"), and Golden State Finance Authority, a California limited joint powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California, Section 6500 and following (the "PACE Provider").

RECITALS

A. Property Assessed Clean Energy (PACE) financing is a method of providing financing to property owners to finance permanent energy efficiency improvements on real property. A property owner who obtains PACE financing repays the financing by entering into an agreement that allows an assessment or special tax to be levied on the property. These levies are known as voluntary contractual assessments.

B. Voluntary contractual assessments that are utilized to finance the installation of energy efficiency improvements on real property are authorized by (1) the Improvement Act of 1911, as amended by AB 811 (Streets and Highways Code Section 5898.10 et seq.) ("Improvement Act") and (2) the Mello-Roos Community Facilities Act of 1982, as amended by SB 555 (Government Code Section 53311 et seq. ("Mello-Roos Act").

C. The PACE Provider is a joint exercise of powers authority that has created one or more PACE financing programs (each, a "PACE Program"). The PACE Provider has established one or more PACE Programs to allow the financing of certain renewable energy, energy efficiency and water efficiency, and other authorized improvements that are permanently affixed to real property through the levy of assessments voluntarily agreed to by property owners participating in a PACE Program. Under each PACE Program, the PACE Provider accepts applications from eligible property owners, conducts assessment proceedings, and levies assessments.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1. Definitions. As used in this Agreement, the following terms have the following meanings:
 - a. "PACE Administrator" means each independent contractor of the PACE Provider that markets, administers and carries out a PACE Program on behalf of the PACE Provider.

- b. "Eligible Improvement" is a renewable energy improvement, energy efficiency improvement or other improvement authorized by the Improvement Act, the Mello-Roos Act or other state law pertaining to voluntary contractual assessments.
- c. "Non-residential Property" means a property with four or more residential units or any commercial, agricultural, or industrial property that is otherwise eligible for PACE Financing.
- d. "Participating Contractor" is any contractor that installs Eligible Improvements that are funded by a PACE Provider.
- e. "Program Participant" is a property owner who enters into a voluntary contractual assessment with the PACE Provider.
- f. "Property Assessed Clean Energy (PACE) Financing" is a means of financing Eligible Improvements as authorized by the Improvement Act, the Mello-Roos Act, or other state law pertaining to voluntary contractual assessments.
- g. "Residential Property" means a property with three or fewer residential units.
- h. "Value" means the greater of: (1) assessed value; or (2) fair market value, as determined either by an automated valuation model or an appraisal.

2. General Requirements.

- a. PACE Provider's Specified Services. The PACE Provider may offer and provide Property Assessed Clean Energy Financing to property owners in the unincorporated areas of the County. The PACE Provider is solely responsible for the formation, operation and administration of the PACE Program, including the conduct of assessment proceedings, the levy and collection of assessments, and the offer, sale and administration of any bonds issued by or other financing offered by the PACE Provider on behalf of the PACE Program.
- b. Cooperation with County. The PACE Provider shall independently operate its program and cooperate with the County and County staff as described in this Agreement.
- c. Performance Standard. The PACE Provider shall provide PACE Financing in a manner consistent with the level of competency and standard of care normally observed by an organization providing PACE Financing pursuant to the Improvement Act or Mello-Roos Act.

3. Disclosure Requirements.

The PACE Provider shall require and ensure that each PACE Administrator does all of the following:

- a. Discloses in writing to potential Program Participants the financial risks associated with PACE Financing, including the risks associated with federal regulation and administration of mortgage financing and the position of the Federal Housing Finance Agency (FHFA) on PACE lending. The disclosure materials must include the disclosures contained in the PACE Program Unanimous Approval Agreement, which is attached and incorporated herein as Attachment A.
- b. Requires potential Program Participants to sign a written acknowledgment of the Federal Housing Finance Agency (FHFA) position on PACE liens.
- c. Requires Program Participants who own non-residential properties to obtain written consent to participate in the PACE Program from lenders who have made loans to the Program Participant where the property serves as security for the loan.
- d. Provides federal Truth in Lending Act disclosure details to the applicant specific to the requested amount of the financing. The details shall be provided to the applicant in the Financing Estimate and Disclosures, which is attached and incorporated herein as Attachment B. In addition, the PACE Program Unanimous Approval Agreement includes a Description of Estimated Costs and Terms of Financing, which shall be disclosed to the applicant. See Attachment A.
- e. Advises potential Program Participants of available state or federal rebate or incentive programs.
- f. Requires each Program Participant to obtain from the County all building permits for improvements.
- g. The PACE Administrator may recommend that property owners consult with a tax professional prior to claiming any tax deductions associated with the project.

4. Financial Requirements.

The PACE Provider shall require and ensure that each PACE Administrator does all of the following:

- a. Administers and reviews Program Participant eligibility and determines the Eligible Improvement costs to be financed.
- b. Establishes each PACE Program's own interest rates, payback terms and fees.
- c. Participates in the State of California's PACE Loss Reserve Program, administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), and provide evidence of current participation and copies of all application materials submitted to CAEATFA. If the State discontinues the PACE Loss Reserve Program, or if the County determines that the State's PACE Loss Reserve Program does not provide adequate coverage, then the County may terminate this Agreement unless the County is satisfied with coverage by an alternative loan loss reserve program.
- d. For residential properties, ensures that the loan amount to a Program Participant does not exceed 15% of the value of the property up to the first \$700,000 of the value of the property, and is for less than 10% of the remaining value of the property above \$700,000.
- e. Ensures that the combined amount of any loans existing prior to the proposed PACE lien and the amount of the PACE lien itself, have an aggregate amount of no more than 95% of the value of the property, including all mortgage-related debt as determined as of the date the assessment contract is executed.
- f. Ensures that the total property taxes and annual assessments for each property that will have PACE Financing will not exceed 5% of the value of the property as determined as of the date the assessment contract is executed.
- g. Verifies that each Program Participant is current on all property taxes and has not made late payments in the past three years or period of ownership (whichever is less), and verifies that each Program Participant has not filed for bankruptcy in the past three years.
- h. Coordinates with the Auditor-Controller's Office each year regarding delinquent assessments.

5. Reports.

For each property that has entered into a voluntary contractual assessment through the PACE Provider, the PACE Provider shall require and ensure that each PACE Administrator provides project information and data in an accessible electronic format to the County on a monthly and annual basis and upon request, including but not limited to the following:

- a. The Assessor's Parcel Number (APN) and property type (residential or non-residential) of the property.
 - b. The amount of the contractual assessment.
 - c. All installed Eligible Improvements financed through PACE Financing.
 - d. If applicable, the solar STC-DC rating in watts or kilowatts of each Eligible Improvement.
 - e. If available, the expected financial and energy savings associated with each Eligible Improvement.
 - f. For each property with an agreement to subordinate the PACE obligation, the effective date of that agreement.
6. Participating Contractor Obligations. The PACE Provider shall require and ensure that each PACE Administrator does all of the following:
- a. Requires and ensures that each Participating Contractor has all required California State License Board licenses and all other required State and County licenses.
 - b. Requires and ensures that each Participating Contractor's bonding is in good standing.
 - c. Requires and ensures that each Participating Contractor holds harmless, indemnifies and defends the County as set forth in Section 9 (c).
 - d. Requires and ensures that each Participating Contractor has insurance as required in Section 12 (b).
 - e. Requires and ensures that each Participating Contractor and their representatives, employees, and agents do not represent themselves as agents, representatives, contractors, subcontractors, or employees of the County or the Department of Conservation and Development or claim association or affiliation with the County or Department of Conservation and Development.
7. Agreement with County Auditor-Controller. The PACE Provider will enter into a separate agreement with the Contra Costa County Auditor-Controller for the administration of property tax assessments placed on properties through the PACE Financing program.

8. Agreement with Program Participant. Each voluntary contractual assessment between the PACE Provider and a Program Participant shall require the Program Participant to hold harmless, indemnify and defend the County, and release the County from liability, in accordance with “Attachment C to Operating Agreement Between Contra Costa County and PACE Provider – Indemnification, Waiver, and Release Provisions,” which is attached and incorporated herein as Attachment C. The terms set forth in Attachment C shall be incorporated into the PACE Provider’s voluntary contractual assessment with each Program Participant for PACE Financing.

9. Indemnification and Release.

a. Indemnification Obligation of the PACE Provider. To the fullest extent not prohibited by applicable law, the PACE Provider shall defend, indemnify, protect, save, and hold harmless the County, the County Auditor-Controller, the County Treasurer-Tax Collector, their respective employees, agents, attorneys, officers, divisions, related agencies and entities, affiliates, successors and assigns (collectively and individually the “Indemnitees”), from any and all claims, cost, loss, liability, expense, damages, or other injury, claim, action or proceeding (collectively “Liability”) arising out of or connected with this Agreement or activities taken by the parties pursuant to this Agreement, including but not limited to the establishment, placement or collection of assessments or special taxes on participating properties; and will make good to and reimburse Indemnitees for any expenditures, including reasonable attorney’s fees, the Indemnitees may make by reason of such matters. If requested by any of the Indemnitees, the PACE Provider will defend any such suits at the sole cost and expense of the PACE Provider with counsel selected or approved by the Contra Costa County Counsel.

The PACE Provider’s obligations under this section will exist regardless of concurrent negligence or willful misconduct on the part of any Indemnitee or any other person; provided, however, that the PACE Provider will not be required to indemnify Indemnitees for the proportion of Liability a court determines is attributable to the sole negligence or willful misconduct of the County, its governing body, officers or employees. This indemnification clause shall survive the termination or expiration of this Agreement.

b. PACE Provider’s Release. To the fullest extent not prohibited by applicable law, the PACE Provider hereby releases and forever discharges the County, the County Auditor-Controller, the County Treasurer-Tax Collector, their respective employees, agents, attorneys, officers, divisions, related agencies and entities, affiliates, successors and assigns (collectively “Released Parties”), from any and all claims, cost, loss, liability, expense, damage (including consequential damages), or other injury, claim, action or proceeding (including without limitation, attorneys’ fees and expenses), which the PACE Provider now has or could assert in any manner arising out of or connected with this Agreement, the

subject matter of this Agreement, or activities taken by the parties pursuant to this Agreement, including any claim, action or proceeding to attack, set aside, void, abrogate, rescind or annul this Agreement or the actions of either party under this Agreement. The PACE Provider knowingly waives the right to make any claim against the Released Parties for such damages and expressly waives all rights provided by section 1542 of the California Civil Code, which provides 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 SETTLEMENT WITH THE DEBTOR.”

The rights and obligations contained in this paragraph will survive termination of this Agreement.

c. Indemnification and Release Obligations of Participating Contractors.

The PACE Provider shall require and ensure that each PACE Administrator requires and ensures that each Participating Contractor releases, defends, indemnifies, protects, saves, and holds harmless the County, the County Auditor-Controller, the County Treasurer-Tax Collector, their respective employees, agents, attorneys, officers, divisions, related agencies and entities, affiliates, successors and assigns, from any and all liability, claims, losses, costs, expenses, penalties, fines, forfeitures, judgments and damages, including attorneys' fees and costs, arising out of or connected with the Participating Contractor's actions under the PACE Program, including the installation of any Eligible Improvement.

10. Term of Agreement. The term of this Agreement shall be from the Effective Date until termination in accordance with the provisions of Section 11, Termination.

11. Termination.

- a. Termination without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, the County or PACE Provider shall have the right, in its sole discretion, to terminate this Agreement by giving 30 days' written notice to the other Party of this Agreement. This Agreement may be cancelled immediately by written mutual consent.
- b. Termination for Cause. Notwithstanding any other provision of this Agreement, if the PACE Provider fails to uphold any of its obligations under this Agreement, or otherwise violates any of the terms of this Agreement, the County may immediately terminate this Agreement by giving the PACE Provider written notice of such termination, stating the reason for termination.

- c. Discontinuation of PACE Program. Upon 24 hours' notice from the County, the PACE Provider shall immediately discontinue its residential PACE Program in the County's unincorporated area if the Federal Housing Finance Authority (FHFA) takes any action in California pertaining to PACE Financing, as it relates to Fannie Mae and Freddie Mac mortgages, that the County determines will create an undue liability to the County or Program Participants.
- d. Delivery of Data and Information upon Termination. In the event of termination and within 14 days following the date of termination, the PACE Provider must deliver to County all data and information for all properties with contractual assessments, as specified in Section 5, Reports.
- e. Effect of Termination. If the Board of Supervisors terminates this agreement pursuant to this Section 11, the PACE Provider may not solicit new assessment contracts within the unincorporated areas of the County.
- f. Upon termination of this Agreement or the discontinuance of the PACE Program, the PACE Provider shall continue to administer all voluntary assessment contracts that exist at the time of the termination.

12. Insurance.

- a. The PACE Provider shall maintain commercial general liability insurance, including contractual liability (or blanket contractual) coverage, owners' and contractors' protective coverage, and broad form property damage coverage, with a minimum of \$1 million per occurrence.
- b. The PACE Provider will ensure that the following insurance requirements are incorporated into all contracts entered into by the PACE Provider with each PACE Administrator and Participating Contractor, or their respective contractors, subcontractors or assigns, in connection with this Agreement: (1) each PACE Administrator and Participating Contractor must maintain workers' compensation insurance pursuant to state law; (2) each PACE Administrator and Participating Contractor must maintain commercial general liability insurance, including contractual liability (or blanket contractual) coverage, owners' and contractors' protective coverage, and broad form property damage coverage, with a minimum of \$1 million per occurrence; (3) each PACE Administrator and Participating Contractor must maintain vehicle liability insurance with a minimum combined single-limit coverage of \$500,000 per occurrence; and (4) each PACE Administrator shall maintain Professional Liability Errors and Omissions Insurance coverage at \$1,000,000 per occurrence or aggregate limit. Each PACE Administrator and Participating Contractor shall provide certificates of insurance to the County, copies of policies, or endorsements evidencing the

above insurance coverage and requiring at least 30 days' written notice to the County of policy lapse, cancellation, or material change in coverage.

13. Miscellaneous Provisions.

- a. Independent Contractor Status. The parties intend that the PACE Provider, in implementing and operating the PACE Program, is an independent contractor, and that the PACE Provider will control the work and the manner in which it is performed. This Agreement is not to be construed to create a relationship between the parties of agent, servant, employee, partnership, joint venture, or association. The PACE Provider is not a County employee. This Agreement does not give the PACE Provider any right to participate in any pension plan, workers' compensation plan, insurance, bonus, or similar benefits County provides to its employees.
- b. Compliance with the Law. The PACE Provider is subject to and must comply with all applicable federal, state, and local laws and regulations with respect to its performance under this Agreement, including but not limited to, licensing, employment, and purchasing practices; and wages, hours, and conditions of employment, including nondiscrimination.
- c. Authorization. The PACE Provider represents and warrants that it has full power and authority to enter into this Agreement and to perform the obligations set forth herein.
- d. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented. This Agreement binds the heirs, successors, assigns and representatives of the PACE Provider.
- e. Method and Place of Giving Notice. All notices shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices shall be addressed as follows:

TO COUNTY:

Contra Costa County
Department of Conservation and Development
Deputy Director, Building Inspection Division
30 Muir Road
Martinez, CA 94553

TO PACE PROVIDER: Golden State Finance Authority
Attn: Greg Norton, Executive Director
1215 K Street, Suite 1650
Sacramento, CA 95814

With a copy to the PACE ADMINISTRATOR as follows:

Ygrene Energy Fund California, LLC
Attn: Sven Kaludzinski, General Counsel
2100 S. McDowell Blvd.
Petaluma, CA 94954

The effective date of notice is the date of deposit in the mail or other delivery, except that the effective date of notice to the County is the date of receipt by the Deputy Director, Building Inspection Division, Department of Conservation and Development. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

- f. Inspection. Upon the County's request, the County or its designee shall have the right at reasonable times and intervals to inspect the PACE Provider's financial and program records at the premises of the PACE Provider and the PACE Administrator. The PACE Provider or the PACE Administrator shall maintain all PACE Program records for a period of four years following termination of the Agreement, and shall make them available for copying upon the County's request at the County's expense.
- g. No Waiver of Breach. The waiver by the County of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.
- h. Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. The PACE Provider and the County acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other.

- i. Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.
- j. No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.
- k. Choice of Law. This Agreement is made in Contra Costa County and is governed by, and must be construed in accordance with, the laws of the State of California.
- l. Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- m. Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion, expiration or termination for any reason.
- n. Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.
- o. Entire Agreement. This Agreement contains all the terms and conditions agreed upon by the parties. Except as expressly provided herein, no other understanding, oral or otherwise, regarding the subject matter of this Agreement will be deemed to exist or to bind any of the parties hereto.
- p. Duplicate Counterparts. This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

PACE PROVIDER
GOLDEN STATE FINANCE AUTHORITY

CONTRA COSTA COUNTY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Attachment A
Unanimous Approval Agreement

California Home Finance Authority
Community Facilities District No. 2014-1 (Clean Energy)

UNANIMOUS APPROVAL AGREEMENT

This Unanimous Approval Agreement, dated, for purposes of identification only, is between Golden State Finance Authority, a California joint exercise of powers authority (the "Authority"), and all of the persons or entities identified below as owners of the real property identified herein (collectively, the "Owner").

Owner No. 1:

Owner No. 2:

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity:

Project ID No.:

APN:

Property Street Address:

City:

State:

Zip:

Background

- A. In connection with its Clean Energy Program (the "Program"), the Authority has established the California Home Finance Authority *Community Facilities District No. 2014-1 (Clean Energy)* (the "CFD") for the purpose of levying special taxes against certain developed properties. The tax revenues will be used to finance, refinance, or lease the acquisition and installation on those properties of qualifying renewable-energy systems and energy- and water-efficiency improvements.
- B. The CFD was formed by the Authority under the Mello-Roos Community Facilities Act of 1982, set forth in sections 53311 through 53368.3 of the California Government Code (the "Act"), and particularly under sections 53313.5(l) and 53328.1, which the California Legislature added to the Act in 2011 to promote energy- and water-efficiency improvements needed to address global climate change (see Statutes 2011, chapter 493 (Senate Bill No. 555)). As the Legislature declared in the Act, "a public purpose will be served by providing the legislative body of a local agency with the authority to use special taxes pursuant to the Mello-Roos Community Facilities Act of 1982 to finance the installation of energy efficiency and renewable energy improvements that are affixed, as specified in section 660 of the Civil Code, to residential, commercial, industrial, or other property." The purpose and method of administration of the special taxes under the CFD are further described in the CFD Hearing Report submitted to the Secretary of the Authority in conjunction with the public hearing concerning the formation of the CFD held by Board of the Authority on December 10, 2014, as it may be amended from time to time (the "Report").
- C. The Authority has contracted with Ygrene Energy Fund California, LLC (the "Program Administrator") to administer the Program and to fund the acquisition and installation of qualifying renewable-energy systems and energy- and water-efficiency improvements through the CFD for the duration of the contract.
- D. To participate in the Program, a property must annex to the CFD. The Act permits annexation to the CFD only with the unanimous approval of all of the property's owners. One purpose of this Unanimous Approval Agreement is to memorialize the unanimous approval required by the Act, but this agreement also specifies the terms under which the Property (as defined in paragraph E) will participate in the Program.

- E. Owner holds title to the real property described above (the “**Property**”) and has submitted an application to participate in the Program (the “**Application**”). Among other things, the Application directs the Owner to review the renewable-energy systems, water-efficiency improvements, and energy-efficiency improvements set forth in the Report and authorized to be financed through the Program, and Owner will select the authorized systems and improvements to be installed on the Property. The selected systems and improvements, together with their acquisition and installation on the Property, are referred to as the “**Improvements**.”
- F. The Owner wishes to participate in the Program by entering into this agreement with the Authority and using the moneys advanced by the Program Administrator to finance, refinance, or lease the Improvements or to purchase energy generated by the Improvements through a power purchase contract.

With these background facts in mind, the Authority and the Owner agree as follows:

1. **Contract Documents.** This agreement and the documents attached to it as exhibits, together with the Application, are collectively referred to as the “**Contract Documents**.” All of the Owner’s declarations and warranties in the Application are incorporated into this agreement.
2. **Term.** The term of this agreement begins when signed by the Owner, subject to the 3 day right of rescission. It is effective when the agreement is countersigned by the Authority and the Notice of Special Tax Lien, substantially in the form attached to this agreement as Exhibit A, is recorded against the Property in the records of the office of the Clerk/Recorder for the County within which the Property is located (the “**County**”) (the “**Effective Date**”). The term of this agreement ends when the entire special tax obligation (as described in section 7(a)), plus any applicable penalties, costs, fees, and other charges, has been paid in full.
3. **Special Tax and Lien**
 - (a) As of the Effective Date, the Property either has been by prior agreement, or will be by this Unanimous Approval Agreement, annexed to the CFD for all purposes and will be subject to the annual special tax that will be levied against the Property in accordance with the terms of the CFD, this agreement, the Act, and any other applicable law (the “**Special Tax**”) and will be secured by the special tax lien imposed by the recorded Notice of Special Tax Lien. The Owner hereby consents to the levy of the Special Tax on, and to the recordation of the Notice of Special Tax Lien against, the Property.
 - (b) Failure to pay any installment of the Special Tax, like failure to pay any property taxes on the Property, will result in penalties and interest accruing on the amounts due. In addition, the Authority or a trustee acting in the Authority’s name may foreclose on the lien of any delinquent Special Tax plus penalties, interest, and costs, as set forth in section 7(d) as provided in the Act. In that regard, the Authority and the Owner hereby agree that the obligation to pay the Special Tax is for the purpose of repaying funds advanced under the Program to the Owner or on the Owner’s behalf; that this agreement constitutes the Owner’s binding obligation to pay or repay a sum of money through the payment of the Special Tax; and that this agreement thus memorializes a “debt” for purposes of sections 53317(d) and 53356.1 of the Act.
 - (c) In the event the Property is subdivided while any portion of the Special Tax obligation remains unpaid, the Special Tax obligation will remain on all subdivided parcels that were used to calculate property value at the time of funding. If the Improvements no longer exist, the Special Tax obligation will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Special Tax obligation should be allocated in an alternate manner.
4. **Disbursement Amount.** The Authority shall authorize disbursement of moneys to the Owner or on the Owner’s behalf based on the amount of the actual cost of the Improvements (the “**Disbursement Amount**”), subject to this limit: the Disbursement Amount may not exceed

..... (the “**Maximum Disbursement**”). The Program Administrator will determine the Disbursement Amount based on invoices and other relevant documents submitted by the Owner. The Owner’s use of the Disbursement Amount is limited as described in section 8. If the actual cost of the Improvements exceeds the Maximum Disbursement, then the Owner will be solely responsible for the payment of all improvement-completion costs that exceed the Maximum Disbursement.
5. **Authorization of Special Tax, Indebtedness, and Appropriations Limit.** The Owner acknowledges that this agreement constitutes the Owner’s election to annex the Property to the CFD (if the Property has not been previously annexed to the CFD), to authorize the Special Tax and the debt described in section 3(b), and to establish the contribution of the Property towards the appropriations limit for the CFD (as defined by section 8(h) of Article XIII B of the California Constitution). The Owner hereby waives any notice, protest, and hearing procedures and provisions of any law other than the Act with respect to the annexation of the Property, the levy and collection of the Special Tax, the authorization of debt, or the establishment of the appropriations limit. The Owner further acknowledges that the annexation, the Special Tax, the debt, and the appropriations limit are being authorized on the Property at the Owner’s request, and the Owner waives any right to contest the annexation, the authorization of the Special Tax or the debt, the establishment of the appropriations limit, or the imposition of the Special Tax in accordance with this agreement.
6. **Commencement and Completion of Improvements**
 - (a) **Consent and Authorization.** This agreement constitutes consent and authorization for the Owner to purchase directly the related equipment and materials for the Improvements and to contract directly for the installation of the Improvements on the Property whether by lease of the Improvements, the purchase of energy generated by the Improvements through a power contract, or otherwise.
 - (b) **Date of completion of the Improvements.** Subject to section 17(g), the Owner shall complete installation of the Improvements no later than 180 days after the Effective Date unless the Improvements cost \$500,000 or more and the Owner and the Program Administrator have agreed on a later completion date. The Owner and the Program Administrator may agree to an extension of the completion date for good cause shown.
7. **Collection of Special Tax on Property Tax Bill; Other Remedies**
 - (a) Annual installments of the Special Tax will be collected through the property-tax bill for the Property. The Special Tax will be payable and become delinquent and will bear the same penalties and interest after delinquency, at the same times and in the same manner, and in the same installments, as general taxes on the property are payable. The maximum amount of the Special Tax that will be placed on the tax roll each year is set forth in Exhibit B to this agreement. In accordance with California Law, delinquent Special Taxes bear late charges and interest at the same rates that apply to delinquent ad valorem taxes.
 - (b) The Special Tax lien will be coequal to, and independent of, the lien for general taxes and, except as provided in California Government Code section 53936, will not be subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes. The Special Tax lien will be prior and superior to all liens, claims, and encumbrances on or against the Property except (1) the lien for general taxes or ad valorem assessments in the nature of taxes that are levied and collected by the State of California or by any county, city, special district, or other local agency; (2) the lien of any special assessment or assessments; (3) easements constituting servitudes upon or burdens to the Property; (4) water rights, the record title to which is held separately from the title to the Property; and (5) restrictions of record.
 - (c) The Special Tax may include an amount to pay costs that are incurred by the applicable County in the collection of taxes for the CFD, the Authority, or the Program Administrator in connection with the following: administration and collection of the Special Tax; administration of the CFD; administration of the debt or financing arrangement, as described in the Report; or administration of any reserve fund and other related funds.

- (d) As a cumulative remedy, if any installment of the Special Tax or any related interest, penalties, costs, including reasonable attorneys' fees, or other charges accruing under applicable taxation provisions are not paid when due, then the Authority or the Program Administrator on behalf of the Authority may order that the same be collected by an action brought by the Authority or by a trustee in the name of the Authority in the Superior Court of the County within which the property is located to foreclose the lien of the Special Tax to the extent permitted by, and in the manner provided by, applicable law.
- (e) The Authority intends to have all Special Tax revenues the County collects (including any interest, late charges, delinquent interest, and other charges allowed by law) remitted directly to a trustee who will receive and hold the revenues for the benefit of the Program Administrator and disburse the revenues in accordance with the Program Administrator's instructions.

8. Use of Proceeds. The Owner shall use the Disbursement Amount in compliance with all requirements of the Contract Documents and for the sole purpose of paying the reasonable costs and expenses of the Improvements, including the costs of energy audits, architectural and engineering fees, insurance costs, prepaid or amortized interest, Program costs, and other costs as may be approved by the Authority and the Program Administrator.

9. Disbursement Procedures

- (a) Except as provided in section 9(b), notwithstanding anything to the contrary elsewhere in this agreement, no funds will be disbursed to the Owner or on the Owner's behalf unless and until the Program Administrator determines that each of the following conditions has been satisfied, except that the Program Administrator may, with the Authority's approval, expressly waive one or more of these conditions in writing on the Authority's behalf:
 - (1) The Program Administrator has received a written request from the Owner to disburse the Disbursement Amount.
 - (2) The Program Administrator (A) has received written confirmation from the appropriate government department performing building inspection services for the jurisdiction within which the property is located, that the Improvements have been completed in accordance with the building permit; or (B) has established criteria for processing progress disbursements, and those criteria have been satisfied.
 - (3) If requested, the Program Administrator has received from the Owner and, if applicable, from the contractor or contractors that installed the Improvements, a document certifying that installation is complete. The certification must be acceptable to the Program Administrator in form and substance.
 - (4) The Program Administrator has received such other documents as the Program Administrator may require, including, if applicable, documents required by consumer-protection laws, the sworn statements of contractors, and releases or waivers of liens, all in compliance with Program policies and/or applicable law.
 - (5) The Owner has, as appropriate, signed and delivered to the Program Administrator the Contract Documents and such other documents pertaining to the Disbursement Amount or the Improvements as the Program Administrator may reasonably require.
 - (6) As of the date of the disbursement, no stop payment or mechanic's lien notice pertaining to the Improvements has been filed and remains in effect, except such as will be removed through a close of an escrow that includes the payment of some or all of the Disbursement Amount.
 - (7) If required, the Program Administrator has received a title policy, paid for by the Owner, with regard to the funds to be disbursed to the Owner.
- (b) Under certain circumstances and at the sole discretion of the Program Administrator, for any Improvement, including without limitation, solar installations, multiple measures on a single property or large commercial projects, the Program Administrator may authorize disbursements of interim payments to be made following issuance by the Program Administrator of a notice to the Owner to proceed with construction of the Improvements and/or during construction of the Improvements. Notwithstanding anything to the contrary elsewhere in this agreement, no such interim progress payment will be disbursed to the Owner or on the Owner's behalf unless and until the Program Administrator determines that those conditions set forth in section 9(a) designated as (1), 2(B), (4), (5), (6), and (7) have been satisfied and that the following conditions have also been satisfied:
 - (1) If requested, the Program Administrator has received from the Owner and if applicable from the contractor a document certifying, for an initial disbursement, that contractor has or will purchase and supply to the Owner the materials necessary to construct the solar project, or, for an interim disbursement, that the installation is complete to an extent that economically justifies the disbursement, and in each case, setting forth the actual cost of the materials and improvements. The certification must be acceptable to the Program Administrator in form and substance.
 - (2) If required, the Program Administrator has received a copy of the full or partial lien release from any parties who could claim a mechanic's lien that provides that the respective mechanic, upon receipt of the interim disbursement, will have been paid on account as applicable, specifies the amount received and releases all claims for further payment for the improvement covered by the lien release.
 - (3) If required, the Program Administrator has received an inspection report from a third-party construction inspector engaged by or satisfactory to the Program Administrator, that confirms the presence at the property of the materials necessary to complete the Improvements, and/or the status of the Improvements, sufficient, in the Program Administrator's sole discretion, to support the funding request.

Notwithstanding disbursement to the Owner or the contractor on Owner's behalf of interim payments, the Owner remains responsible for the completion of all Improvements and for payment of the final construction costs.

- 10. Prepayment of Special Tax Obligation.** The Owner may prepay the Special Tax obligation at any time by paying the then outstanding principal balance as shown on the payment schedule provided with the Final Closing Statement, plus reasonable administrative costs and the current year's installment of the Special Tax that appears on the property tax bill. The prepayment may also include a prepayment premium based upon a percentage of the remaining principal as defined in Exhibit B hereto. The Special Tax obligation may only be prepaid in full.
- 11. The Owner's Representations and Warranties.** Based on the Owner's actual knowledge after a reasonable investigation, the Owner represents and warrants that each of the statements set forth in sections 11(a) through 11(f) is true and complete as of the Effective Date. By accepting the Disbursement Amount, the Owner is deemed to have reaffirmed, as of the date of disbursement, the truth and completeness of the statements in sections 11(a) through 11(f) and of each declaration the Owner makes in the Application and the Estimated Settlement Statement. If the Owner is one or more trustees of a trust, then the following statements also pertain to the trustor or trustors of the trust.

- (a) *Formation; Authority.* Each person who signs this agreement (other than the Authority's signatory) represents the following:
- (1) The signature page of this agreement identifies all persons and entities holding title to the Property.
 - (2) The Contract Documents are binding upon, and enforceable against, the Owner in accordance with their terms.
 - (3) No consent or approval of any third party is required for the Owner's execution of the Contract Documents or the Owner's performance of its obligations under the Contract Documents except for the consents and approvals, if any, that the Owner has already obtained.
 - (4) If the person is signing for himself or herself, then he or she is authorized and able to perform the Owner's obligations under the Contract Documents and under all other documents the Owner delivers to the Authority or the Program Administrator in connection with the Contract Documents.
 - (5) If the person is signing on behalf of a corporation, partnership, limited-liability company, or other entity that is not a natural person, then (A) he or she is authorized to sign and deliver this agreement on that entity's behalf; (B) the entity for which he or she signs is authorized and able to perform the Owner's obligations under the Contract Documents and under all other documents the Owner delivers to the Authority or the Program Administrator in connection with the Contract Documents; and (C) the entity has complied with all laws and regulations concerning its organization and existence and the transaction of its business and is in good standing in each state in which it conducts its business.
- (b) *Compliance with Law.* Neither the Owner nor the Property is in violation of, and the terms and provisions of the Contract Documents do not conflict with, any regulation or ordinance, any order of any court or governmental entity, or any building restrictions or governmental requirements affecting the Property.
- (c) *Other Information.* All documents, information, and forms of evidence that have been delivered to the Program Administrator in connection with the Owner's application for Program funding are accurate and sufficiently complete to provide accurate and complete knowledge of their subject matter.
- (d) *Lawsuits.* There are no lawsuits, tax claims, actions, proceedings, investigations, or other disputes pending or threatened against the Owner or the Property that may impair the Owner's ability to perform its obligations under this agreement or may impair the Authority's ability to levy and collect the Special Tax or any other amounts owing under the Program.
- (e) *No Event of Default.* There is no event that is, or with notice or lapse of time or both would be, a Default (defined in section 17) under this agreement.
- (f) *Accuracy of Declarations.* The Owner's declarations in the Application are true and complete.

12. The Owner's Covenants

- (a) *Installation and Maintenance of Improvements.* The Improvements must be installed by contractors on the Program Administrator's list of Certified Contractors unless the Program Administrator, in writing, authorizes the Owner to install the Improvements. The Owner shall cause its contractor or contractors to do the following: promptly obtain all required building permits; thereafter promptly begin installation the Improvements and diligently continue the work to completion in a good and workmanlike manner and in accordance with sound installation practices. The same standard applies if the Owner installs the Improvements. The Owner shall maintain the Improvements in good condition and repair.
- (b) *Compliance with Law.* The Owner shall complete all Improvements, or cause the Improvements to be completed, in conformity with all applicable laws, including all applicable federal, state, and local occupation, safety, and health laws, rules, regulations, and standards. The Owner shall comply with and keep in effect all permits, licenses, and approvals required to install and operate the Improvements.
- (c) *Site Visits.* The Owner hereby grants to the Authority's and the Program Administrator's agents and representatives the right to enter and visit the Property at any reasonable time during construction, and for a period of 180 days following completion of construction, after provision of reasonable notice to the Owner, for the purpose of observing the Improvements. The agents and representatives will make reasonable efforts, during any site visit, to avoid interfering with Owner's use of the Property. The Owner shall also allow the Authority's and the Program Administrator's agents and representatives to examine and copy the Owner's records and other documents that relate to the Improvements. Any site visit, observation, or examination under this section 12(c) will be solely for the purposes of protecting the Authority's rights under the Contract Documents and shall not result in any responsibility or obligation of the Authority with respect to the Improvements.
- (d) *Protection Against Lien Claims.* The Owner shall promptly pay or otherwise discharge any claims and liens for labor done and materials and services furnished to the Property in connection with the Improvements. The Owner may contest in good faith any claim or lien but must do so diligently and without delay in completing the Improvements.
- (e) *Notice to Successors in Interest.* The Owner shall provide any subsequent purchaser of the Property with written notice that the Property is subject to the Special Tax lien.
- (f) *Insurance.* If the Maximum Disbursement exceeds \$60,000, then the Owner shall provide, maintain, and keep in force at all times until the Improvements are completed, a policy of builder's "all risk" property-damage insurance on the Property, with a policy limit equal to the amount of the Maximum Disbursement. Alternatively, the Owner may require that each Certified Contractor installing the Improvements provides, maintains, and keeps such insurance in force. Upon request, the Owner shall provide the Program Administrator with documents (e.g., a certificate of insurance) confirming compliance with this section 12(f).
- (g) *Notices.* The Owner shall promptly notify Program Administrator in writing of any Default (defined in section 17) under this agreement and of any event that, with notice or lapse of time or both, would constitute a Default.

13. **Mechanic's Lien and Stop Work Notices.** If a stop work notice or a mechanic's lien related to the Improvements is filed or recorded in accordance with California law, then the Program Administrator may summarily refuse to disburse any funds to the Owner. In addition, if the Owner fails to furnish the Program Administrator with a bond causing such notice or lien to be released within ten days of notice from the Program Administrator to do so, then that failure will constitute a Default under this agreement (see section 17). The Owner shall promptly deliver to the Program Administrator copies of all such notices or liens.

14. Owner Responsibility; Indemnification

- (a) **The Owner acknowledges that the Authority has established the Program solely for the purpose of assisting the owners of property in the CFD with financing for the acquisition and installation of qualifying renewable-energy systems and energy- and water-efficiency improvements. The Program is a financing program only. The Authority; the Authority's members, associate members, officers, employees, or agents (collectively the "Authority Parties"); and the Program Administrator are not responsible for the selection of the Improvements or for the installation, performance, or maintenance of the Improvements. Any issues related to installation, performance, or maintenance of the Improvements should be discussed with the Owner's contractors and with the manufacturers or distributors of the Improvements.**

(b) **SOLE RESPONSIBILITY TO DEAL WITH LENDERS**

The Owner authorizes the Program to send a *Notice to Lender of Proposed Special Tax* to each mortgage lender that holds a note or alternative debt instrument secured by a lien on the Property (the "Notice"). It will notify lenders that the Owner intends to authorize the recordation of a Notice of Special Tax Lien against the Property.

Please note the following:

- 1) When the Owner annexes the Property to the CFD and enters into this agreement and the Contract Documents with the Authority, a Notice of Special Tax Lien will be recorded on the Property.
- 2) By law, the lien securing the Annual Special Tax will be co-equal with the lien for general property taxes. Therefore, the lien securing unpaid delinquent Special Tax payments will be superior to the lien of any existing deed of trust the Owner may have previously executed in favor of a mortgage lender.
- 3) Existing mortgage lenders may contend that by entering into this agreement the Owner has violated the loan agreements or deeds of trust.
- 4) The fact that the Program sent the Notice will not preclude lenders from later alleging that the Owner has violated the loan agreements with them, and there is a risk that the lenders may prevail in any litigation over the alleged violation.
- 5) Neither the Authority nor the Program Administrator can advise the Owner about any loan agreements with lenders. The Owner's contractual relations with lenders are the Owner's sole responsibility. Owners must understand that use of the Notice does *not* mean:
 - (a) that any issue regarding obligations resulting from private loan documents have been resolved;
 - (b) that the Owner's lenders cannot take action against the Owner if they believe loan agreements have been violated; or
 - (c) that the Authority or the Program Administrator will assist the Owner in any way if lenders take such action.

Many banks that make home loans desire to preserve the option to sell those loans to U.S. government-sponsored enterprises (called "GSEs") that are regulated by the Federal Housing Finance Agency ("FHFA"). The FHFA appears to have instructed its GSEs not to purchase home loans where there is a superior lien for clean-energy improvements, such as the Special Tax lien. Thus, in order to refinance their home loan, or for a prospective purchaser of the Property to obtain a loan secured by the Property, the Owner may need to remove the Special Tax lien by prepaying the Special Tax obligation in full. Owners are advised to consider the likelihood and timing of a possible refinancing or sale of the Property, and the costs to prepay the Special Tax obligation, in deciding whether to annex their property to the CFD.

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- (c) To the maximum extent permitted by law, the Owner shall indemnify, defend, protect, and hold harmless the Authority, the Authority Parties, and the Program Administrator, from and against all liabilities, claims, demands, damages (including consequential damages), and costs (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees through final resolution on appeal) that are related directly or indirectly to, or arise in any way out of, or in connection with, any fact, circumstance, or event related to the approval of the Disbursement Amount or the payment to the Owner of the Disbursement Amount, including any of the following: the Contract Documents; the Owner's performance of (or failure to perform) its obligations under the Contract Documents; the Owner's breach or Default (see section 17) under the Contract Documents; disbursement of the Disbursement Amount; the selection, acquisition, installation, operation, or maintenance of the Improvements; the levy and collection of the Special Tax; and the imposition of the Special Tax lien. The Owner's obligations under this section 14(b) apply whether they accrue or are discovered before or after the disbursement of the Disbursement Amount to the Owner or the Owner's designee.
- (d) The indemnity obligations described in this section 14 will survive the disbursement of the Disbursement Amount to the Owner or the Owner's designee, the payment of the Special Tax obligation in full, the transfer or sale of the Property by Owner, and the termination of this agreement.

15. Waiver of Claims

- (a) **Acting for itself; for its successors-in-interest to the Property; and for anyone claiming by, through, or under the Owner, the Owner hereby waives the right to recover from, and fully and irrevocably releases the Authority, the Authority Parties, and the Program Administrator from, all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs, that the Owner may now have or later acquire against any of the Authority, the Authority Parties and the Program Administrator, and accruing from, or related to, any of the following:**
 - (1) **the Contract Documents;**
 - (2) **the advance of or failure to advance the Disbursement amount, or any amount;**
 - (3) **the levy and collection of the Special Tax;**
 - (4) **the imposition of the Special Tax lien;**
 - (5) **the issuance and sale of any bonds or other evidences of indebtedness, or other financial arrangements entered into by the Authority or the Program Administrator pursuant to the Program;**
 - (6) **the performance of the Improvements;**
 - (7) **the Improvements;**
 - (8) **any damage to or diminution in value of the Property that may result from installation or operation of the Improvements;**
 - (9) **any personal injury or death that may result from installation or operation of the Improvements;**

- (10) the selection of manufacturers, dealers, suppliers, contractors, or installers, or their action or inaction with respect to the Improvements;
 - (11) the merchantability and fitness of the Improvements for any particular purpose, use, or application;
 - (12) the amount of energy or water savings resulting from the Improvements;
 - (13) the workmanship of any third parties; and
 - (14) any other matter with respect to the Program.
- (b) This release includes claims, obligations, liabilities, causes of action, and damages of which the owner is not currently aware or which the Owner does not suspect to exist, and which, if known by the Owner, would materially affect the Owner's release of the Authority, the Authority Parties, and/or the Program Administrator.
- (c) The Owner hereby acknowledges that it has read and is familiar with California Civil Code section 1542 ("Section 1542"), which is set forth below:

"A general release does not extend to claims which the creditor does not know or suspects 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 Owner hereby waives the provisions of Section 1542 solely in connection with the matters that are the subject of the foregoing waivers and releases.

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PO NO.1 INITIALS

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PO NO.2 INITIALS

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PO NO.3 INITIALS

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PO NO.4 INITIALS

- (d) The Owner's waivers and releases in this section 15 will survive the disbursement of the Disbursement amount, the payment of the Special Tax obligation in full, the Owner's transfer or sale of the Property, and the termination of this agreement. The Owner's waivers and releases in this section 15 apply to the Owner's successors-in-interest to the Property and to anyone claiming by, through, or under the Owner.

16. **Further Assurances.** The Owner shall execute any additional documents that are consistent with this agreement, including documents in recordable form, as the Authority or the Program Administrator may from time to time find necessary or appropriate to effectuate its purposes in entering into this agreement and disbursing funds to the Owner.

17. **Events of Default**

- (a) Section 3 and California law, including the Act, govern remedies with respect to the nonpayment of the Special Tax or any amounts payable by the Owner under this agreement.
- (b) The failure of any of the Owner's representations or warranties to be correct in all material respects, or the Owner's failure to perform or delay in performing any of its obligations under the Contract Documents (other than failures or delays with respect to payment of the Special Tax or any other amount payable by the Owner), will each constitute a non-monetary default (each, a "Default"). Upon receiving a notice of Default given under section 17(c), the Owner shall immediately start to cure the Default and shall complete the cure with reasonable diligence, but in any event no later than the time set forth in section 17(c).
- (c) If a Default occurs, then before exercising any rights or remedies under the Contract Documents or California law, including the Act, the Program Administrator, on the Authority's behalf, must give the Owner a written notice of Default. If the Default is reasonably capable of being cured within 30 days, then the Owner will have 30 days after receiving the notice to affect a cure before the Authority may exercise any rights or remedies. If the Default is reasonably capable of being cured, but not within 30 days, and if the Owner begins corrective action within 30 days after receiving the notice and diligently, continually, and in good faith works to complete the cure as soon as is practicable, then the Owner will have such additional time as is reasonably necessary to cure the Default before the Authority may exercise any rights or remedies. In no event, however, will the Authority be precluded from exercising any rights or remedies if its security becomes or is about to become materially jeopardized by the Owner's failure to cure a Default or if the Default is not cured within 120 days after the first notice of Default is given.
- (d) If a Default occurs, then, subject to section 17(c), the Authority may exercise any or all of the rights and remedies available to it under applicable law, at equity, or as otherwise provided in this agreement. If, at the time of the Default, there has been no disbursement of the Disbursement Amount, then the Authority may elect to terminate this agreement, and, except as otherwise expressly provided in this agreement, upon such termination the parties will have no further obligations or rights under this agreement.
- (e) All costs and expenses the Authority or the Program Administrator incurs in pursuing its remedies under this agreement will be additional indebtedness of the Owner.
- (f) Except as otherwise expressly stated in this agreement or as otherwise provided by applicable law, the Authority's rights and remedies are cumulative, and the exercise of one or more of those rights or remedies will not preclude the exercise, at the same time or different times, of any other rights or remedies for the same Default or any other Default. The Authority's failure or delay in asserting any of its rights and remedies as to any Default will not operate as a waiver of any Default or of any such rights or remedies and will not deprive the Authority of its rights to institute and maintain any actions or proceedings it may consider necessary to protect, assert, or enforce its rights or remedies.
- (g) With respect to the installation of the Improvements only, the performance of the Owner's covenants under this agreement and the compliance of conditions imposed upon the Owner by this agreement will be excused while and to the extent that the Owner, through no fault or negligence of its own, is prevented from performing or complying by war, riots, strikes, lockouts, action of the elements, accidents, or acts of nature beyond the Owner's reasonable control. But the excused covenants or conditions will be restored to full force as soon as the cause or event preventing compliance is removed or ceases to exist, and the Owner shall immediately resume installation of the Improvements.

- 18. **Severability.** Each provision of this agreement is a separate and independent covenant and agreement. If any non-material provision of this agreement or the application of that provision is held to be invalid or unenforceable in whole or part, then the remainder of this agreement, or the application of that provision to circumstances other than those to which it is invalid or unenforceable, will remain valid and fully enforceable.
- 19. **Notices.** Any notice or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 19 to the persons identified below. A mailed notice or demand will be effective or will be considered to have been given on the second business day after it is deposited in the United States Mail, as certified mail, addressed as set forth below and with postage prepaid. A notice or demand sent in any other manner will be effective or will be considered properly given when actually delivered. A party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section 19. Notwithstanding anything set forth in this section, after disbursement of funds to the Owner, all notices regarding the Special Tax must be sent as provided by California law.

To the Authority:

Golden State Finance Authority
 1215 K Street, Suite 1650
 Sacramento, CA 95814
 Attention: Vice President

To Owner:

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- 20. **No Waiver.** A disbursement of the Disbursement Amount based upon inadequate or incorrect information will not constitute a waiver of the Authority's right to receive a refund of the Disbursement Amount from the Owner.
- 21. **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Exhibits A and B are part of this agreement. "Include" and its variants are terms of enlargement rather than of limitation. For example, "includes" means "includes but not limited to," and "including" means "including but not limited to."
- 22. **Venue.** Any legal action brought under this agreement must be instituted in the Superior Court of the County of Sacramento.
- 23. **Assignment by Authority.** The Authority, at its option, may do either or both of the following without obtaining the Owner's consent:
 - (a) Assign any or all of its rights and obligations under this agreement, including the right to file and prosecute any foreclosure action regarding delinquent Special Taxes or any other amounts payable by the Owner under this agreement.
 - (b) Pledge and assign its right to receive the Special Tax collections and any other amounts payable by the Owner under this agreement.
- 24. **Owner Assignment Prohibited.** The Owner shall not assign or transfer any portion of this agreement or of the Owner's rights or obligations under the agreement without the Authority's prior express written consent, which the Authority may withhold, grant, or condition in its sole and absolute discretion. The sale, transfer, or rental of the Property is not an assignment or transfer of this agreement.
- 25. **Carbon Credits.** The Owner agrees, upon direction of the Program Administrator, to transfer any carbon credits, renewable-energy credits, solar-renewable-energy credits, offsets, or other tradable environmental certificate or permit attributable to the Improvements (collectively, "**Carbon Credits**") to the Authority; following which, such Carbon Credits will be owned by the Authority. Should installation of the Improvements qualify for a monetary incentive or rebate program that requires transfer of carbon credits to the provider of the monetary incentive or rebate, then the Authority shall waive its rights to the transfer of the Carbon Credits to it by the Owner in conjunction with the provision of the monetary incentive or rebate to the Owner.
- 26. **Entire Agreement; Counterparts; Amendment.** This agreement contains the parties' entire understanding regarding the matters addressed and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations, whether written, oral, express, or implied. Any amendment to this agreement must be in writing and signed by both parties. If the Owner consists of more than one person or entity, then all such persons and entities will be jointly and severally obligated by this agreement. This agreement may be executed in several counterparts, each of which will be considered an original, but all of which together will constitute the same agreement.
- 27. **Special Termination.** Notwithstanding anything to the contrary, this agreement will terminate and be of no further force if, on or before the date and time described in the Notice of Right to Cancel delivered to the Owner when the Owner signed this agreement, the Owner submits to the Program Administrator a notice of the Owner's decision to cancel this agreement.
- 28. **Signature Authority.** By initialing below, each Owner of the Property agrees that any one Owner has the authority to provide certifications, representations, agreements, and acknowledgments to the Authority and the Program Administrator on behalf of all Owners, and each of the Owners of the Property hereby agrees that the Authority and the Program Administrator, their members, associate members, officers, employees, and agents, may rely on such certifications, representations, agreements, and acknowledgments and act upon them and that the indemnities contained in this Unanimous Approval Agreement apply specifically hereto.

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PO NO.1 INITIALS

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PO NO.2 INITIALS

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PO NO.3 INITIALS

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PO NO.4 INITIALS

(SIGNATURE PAGES FOLLOW)



PROPERTY OWNER NO. 1

First Name:	Middle:	Last Name:
Trust:		
Legal Entity:		
Mailing Address:		
City:	State:	Zip Code:

IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE. IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE

WET SIGNATURE

.....
SIGNATURE

.....
DATE

.....
DATE

Name of Signatory:

Title of Signatory:

IF THE SPACE BELOW HAS BEEN LEFT BLANK, THIS DOCUMENT HAS BEEN ELECTRONICALLY SIGNED AND THE PROPERTY OWNER'S IDENTITY HAS BEEN VERIFIED BY AN INDEPENDENT THIRD PARTY. A RECORD OF THE VERIFICATION IS ON FILE AT YGRENE.

A notary public or other officer completing this certificate verifies only the identity of the individual who signs the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of.....} ss.

On....., 20..... before me, 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 signature(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

.....
NOTARY'S SIGNATURE



SEAL

UNANIMOUS APPROVAL AGREEMENT
DOC ID: CA.GSFA.2.1

01/02/2017

PROPERTY OWNER NO. 2

First Name:	Middle:	Last Name:
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Trust:

Legal Entity:

Mailing Address:

City:	State:	Zip Code:
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IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE. IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE

WET SIGNATURE

SIGNATURE

DATE

DATE

Name of Signatory:

Title of Signatory:

IF THE SPACE BELOW HAS BEEN LEFT BLANK, THIS DOCUMENT HAS BEEN ELECTRONICALLY SIGNED AND THE PROPERTY OWNER'S IDENTITY HAS BEEN VERIFIED BY AN INDEPENDENT THIRD PARTY. A RECORD OF THE VERIFICATION IS ON FILE AT YGRENE.

A notary public or other officer completing this certificate verifies only the identity of the individual who signs the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of } ss.

On....., 20..... before me, 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 signature(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

NOTARY'S SIGNATURE

SEAL



PROPERTY OWNER NO. 3

First Name:	Middle:	Last Name:
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Trust:

Legal Entity:

Mailing Address:

City:	State:	Zip Code:
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IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE. IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE

WET SIGNATURE

.....
SIGNATURE

.....
DATE

.....
DATE

Name of Signatory:

Title of Signatory:

IF THE SPACE BELOW HAS BEEN LEFT BLANK, THIS DOCUMENT HAS BEEN ELECTRONICALLY SIGNED AND THE PROPERTY OWNER'S IDENTITY HAS BEEN VERIFIED BY AN INDEPENDENT THIRD PARTY. A RECORD OF THE VERIFICATION IS ON FILE AT YGRENE.

A notary public or other officer completing this certificate verifies only the identity of the individual who signs the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of } ss.

On, 20..... before me, 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 signature(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

.....
NOTARY'S SIGNATURE

SEAL



PROPERTY OWNER NO. 4

First Name:	Middle:	Last Name:
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Trust:

Legal Entity:

Mailing Address:

City:	State:	Zip Code:
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IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE. IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE

WET SIGNATURE

.....
DATE

.....
SIGNATURE

.....
DATE

Name of Signatory:

Title of Signatory:

IF THE SPACE BELOW HAS BEEN LEFT BLANK, THIS DOCUMENT HAS BEEN ELECTRONICALLY SIGNED AND THE PROPERTY OWNER'S IDENTITY HAS BEEN VERIFIED BY AN INDEPENDENT THIRD PARTY. A RECORD OF THE VERIFICATION IS ON FILE AT YGRENE.

A notary public or other officer completing this certificate verifies only the identity of the individual who signs the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of } ss.

On....., 20..... before me, 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 signature(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

.....
NOTARY'S SIGNATURE



SEAL

UNANIMOUS APPROVAL AGREEMENT
DOC ID: CA.GSFA.2.1

01/02/2017

GOLDEN STATE FINANCE AUTHORITY

Signature of Authorized Person:

Date:

Print Name and Title of Authorized Person: Sarah McCormack, Client Services Representative

UNANIMOUS APPROVAL AGREEMENT EXHIBIT A

NOTICE OF SPECIAL TAX LIEN
California Home Finance Authority
Community Facilities District No. 2014-1
(Clean Energy)

Pursuant to sections 53328.1(a)(4) and 53328.3 of the California Government Code, which are part of the "Mello-Roos Community Facilities Act of 1982" (chapter 2.5, part 1, division 2, title 5 of the California Government Code) (the "**Act**"), and to section 3114.5 of the California Streets and Highways Code, the undersigned hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of the Golden State Finance Authority, (the "**Authority**"), upon the parcel listed here (the "**Property**"). The special tax secured by this lien is authorized to be levied for the purpose of paying the cost to acquire, lease, install or have installed qualifying renewable-energy systems, energy- and water-efficiency improvements and electric vehicle charging infrastructure, including paying principal and interest on debt (as that term is defined in the Act), the proceeds of which are used to finance all or a portion of the cost of the systems and improvements.

The special tax is authorized to be levied within the California Home Finance Authority Community Facilities District No. 2014-1 (Clean Energy), to which the Property has been annexed with the unanimous consent of all of its owners by means of a Unanimous Approval Agreement (to which reference is made for further particulars and which, under section 53329.6 of the Act, constitutes the vote of the qualified electors required by the California Constitution). The lien of the special tax is a continuing lien that secures each annual levy of the special tax and continues in effect until the special tax obligation is prepaid, permanently satisfied, or canceled in accordance with law.

The *maximum* annual amount of the special tax is shown hereon. The conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled, and the procedures for calculating the amount required for prepayment of the special tax, are set forth in the Unanimous Approval Agreement.

Notice is further given that upon the recording of this notice in the office of the Clerk/Recorder of the County within which the District is domiciled, the obligation to pay the special tax levy will become a lien upon the Property in accordance with section 3115.5 of the California Streets and Highways Code.

The names of the owners and the assessor's parcel number of the Property are shown hereon.

For further information concerning the current and estimated future special tax liability of owners or purchasers of the Property subject to this special tax lien, interested persons should contact:

Willdan Financial Services
(866) 807-6864
DAS-AnalystAssistants@willdan.com

UNANIMOUS APPROVAL AGREEMENT EXHIBIT B

DESCRIPTION OF ESTIMATED COSTS AND TERMS OF FINANCING

INTEREST RATE : %

PROJECT ID :

PREPAYMENT PREMIUM : %

REPAYMENT TERMS : years

INTEREST RATE LOCK PERIOD* : 90 days from the effective date of this UAA

* NOTE: If you do not complete your project and request funding during the Rate Lock Period your Interest Rate may increase.

	MAXIMUM AUTHORIZED BASED ON	PROPOSED** IF FUNDED BY	PROPOSED** IF FUNDED ON OR AFTER
PROJECT COST:
PROGRAM FEES:
CAPITALIZED INTEREST:
TOTAL FUNDING:
ANNUAL PAYMENT TO REPAY FUNDING: (BEFORE ANNUAL ADMINISTRATION FEES)
ANNUAL ADMINISTRATION FEE ***:
TOTAL ANNUAL SPECIAL TAX PAYMENT: (ANNUAL ADMINISTRATION FEES INCLUDED)

YOUR FIRST PAYMENT WILL BE DUE ON:

** These numbers are provided as estimates only, they are not the actual amounts. The numbers shown above were calculated based on the interest rate, repayment term, and the date listed above. The final funding amount will be calculated based on the final funding date, interest rate and repayment terms. Owner 1 Owner 2 Owner 3 Owner 4

*** Annual administrative costs include, but are not limited to tax collection and trustee fees.
 These estimates are based on assumptions about when the project will be completed and funded. The **Maximum Authorized** column estimates adequate capitalized interest to cover the period between the approval date and the end of the relevant tax year. Projects funded early in a tax year require substantially more capitalized interest than projects funded later in the tax year.

Please initial above to accept these terms.

PROPERTY OWNER NO. 1	PROPERTY OWNER NO. 2
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE:	TITLE:
TRUST:	TRUST:
LEGAL ENTITY:	LEGAL ENTITY:

PROPERTY OWNER NO. 3	PROPERTY OWNER NO. 4
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE:	TITLE:
TRUST:	TRUST:
LEGAL ENTITY:	LEGAL ENTITY:



Attachment B

Estimated Costs and Terms of Financing



FINANCING ESTIMATE AND DISCLOSURES

DATE ISSUED:

PROPERTY OWNER(S):

TRUST:

PROPERTY ADDRESS:

TERM: _____ years

PROJECT ID:

EXPIRATION DATE:

Notice to Property Owner: You have the right to request that a hard copy of this document be provided to you before and after reviewing and signing. The financing arrangement described below will result in the levy of a special tax against, and the recordation of a notice of a special tax lien on, your property which will be collected along with your property taxes. You should read and review the terms carefully and, if necessary, consult with a tax professional or attorney. This financing is not a loan, but rather a special tax, and as such, descriptions below of "interest," "interest rate," or "principal" are for illustrative purposes only, and should be taken to reference "interest equivalent," "interest rate equivalent," or "principal equivalent," respectively.

Customer Service Toll-Free Telephone Number and Email: In the event you have a consumer complaint, questions about your financing obligations related to the Unanimous Approval Agreement or your contractual rights under the terms of this contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-Free Telephone Number: 1-877-819-4736
Customer Service Email Address: customer.care@ygrene.us

PRODUCT COSTS

Product Descriptions:

Product Costs
 (including labor and installation)

UPFRONT FINANCING COSTS

One-time fees that are a cost of obtaining financing

Application Fees and Costs

Estimated Capitalized Interest (Prepaid)

Interest you must pay from estimated close date to July 1st of the year in which you make your first assessment payment.

Other Costs (Closing Costs)

See Other Costs (Closing Costs) details on next page.

Estimated Financed Amount:

This is the estimated total amount financed (product cost + upfront costs). Final amount may differ based on actual close date.

Total cost of financing as an annual rate

%

Simple Interest Rate

%

Annual Administrative Fees

Estimated Annual Principal, Interest and Administrative Fees

Estimated annual special tax payment and annual administration fee. Final amount may differ based on close date.

Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment. See "Other Important Considerations" below.



OTHER COSTS (CLOSING COSTS)

Appraisal Fees	.....	No appraisal is required.
Underwriting-Related Fees	.....	These fees cover processing and underwriting.
Program-Related Fees	.....	These fees cover origination and program administration.
Credit Reporting Fees	.....	Any fees for credit reporting are included in program-related fees.
Recording Fees	.....	These fees are paid to the county in which your property is located for recordation of the lien and for disbursement.
Total Other Costs (Closing Costs)	.....

CALCULATING CASH TO CLOSE

Estimated Financed Amount	.....	As detailed on the first page. These represent your financing and closing costs.
Upfront Costs Financed	.....	All upfront costs are financed as part of the principal.
Estimated Cash (out of pocket) to close	.....

OTHER TERMS

Prepayment Fee	<input type="checkbox"/> No <input type="checkbox"/> Yes	If Yes , you may prepay the full remaining principal amount for a 5% fee assessed against such amount. The initial remaining principal prepayment amount will not include principal and interest amounts already placed on the tax roll and a subsequent payment for such amounts will be due after payment of the remaining principal.
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ADDITIONAL INFORMATION ABOUT THIS FINANCING

Over the term of the financing (estimates):	Use this information to compare with other financing options.	
Financed amount you will have paid off	.....	Financed amount you will pay including costs of improvements + the portion of upfront costs associated with other costs (Closing Costs).
Amount of interest you will have paid	.....	Amount of interest you will pay including the portion of upfront costs associated with capitalized interest (prepaid) + interest on principal.
Amount of Annual Administrative Fees	.....	Amount of administrative fees you will pay. The fees are subject to change by your county.
Total you will have paid	.....	Total amount you will pay in principal, interest, and administrative fees.
Total cost of financing as an annual rate	..... %	Your costs over the term expressed as a rate. This is not your interest rate.
Total Interest Paid	..... %	Interest that you will have paid as a percentage of total you will have paid.



OTHER IMPORTANT CONSIDERATIONS

Property Sale or Refinancing	I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my property. If I sell my property, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.	..... OWNER 1	..... OWNER 2	..... OWNER 3	..... OWNER 4
Tax Payment and Monthly Mortgage Payments	Your special tax payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment using an impound account or if you pay them directly to the tax collector, you will need to save an estimated _____ for your first special tax installment. If you pay your taxes through an impound account you should notify your mortgage lender, so that your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.	..... OWNER 1	..... OWNER 2	..... OWNER 3	..... OWNER 4
Tax Benefits	Consult your tax adviser regarding tax credits, credits and deductions, tax deductibility, and other tax benefits available. Making an appropriate application for the benefit is your responsibility.	..... OWNER 1	..... OWNER 2	..... OWNER 3	..... OWNER 4
Statutory Penalties	If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and a 1.5% per month interest penalty as established by state law, and your property may be subject to foreclosure.	..... OWNER 1	..... OWNER 2	..... OWNER 3	..... OWNER 4
Three Day Right to Cancel	You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the financing agreement without any penalty or obligation. To cancel the financing agreement, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to: Ygrene Energy Fund, 2100 S. McDowell Boulevard Petaluma, CA 94954 You may also cancel the contract by sending notification of cancellation by email to the following email address: customer.care@ygrene.us.	..... OWNER 1	..... OWNER 2	..... OWNER 3	..... OWNER 4

CONFIRMATION OF RECEIPT

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is NOT a contract.

.....
	DATE		DATE
.....
	DATE		DATE



Attachment C
Indemnification, Waiver and Release
Provisions

Attachment C to Operating Agreement Between Contra Costa County and PACE Provider
Indemnification, Waiver, and Release Provisions

Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in that certain Unanimous Approval Agreement, dated as of [____], by and between the PACE Provider (the “Authority”) and [_____] as the program participant (the “Owner”).

1. Responsibility for Eligible Improvements

The Owner acknowledges that the Authority has established the Program solely for the purpose of assisting the owners of property in the CFD with financing for the acquisition and installation of qualifying renewable-energy systems and energy- and water-efficiency improvements. The Program is a financing program only. The Authority, the Authority’s members (including, without limitation, Contra Costa County), the Authority’s associate members, and each of their respective officers, employees, or agents; the Contra Costa County Auditor-Controller, and the Contra Costa County Treasurer-Tax Collector (collectively the "**Authority Parties**"); and the Program Administrator are not responsible for the selection of the Improvements or for the installation, performance, or maintenance of the Improvements. Any issues related to installation, performance, or maintenance of the Improvements should be discussed with the Owner’s contractors and with the manufacturers or distributors of the Improvements.

2. Indemnification Obligation of Program Participant (“Owner”)

To the maximum extent permitted by law, the Owner shall indemnify, defend, protect, and hold harmless the Authority, the Authority Parties, and the Program Administrator, from and against all liabilities, claims, demands, damages (including consequential damages), and costs (including all reasonable out-of-pocket litigation costs and reasonable attorneys’ fees through final resolution on appeal) that are related directly or indirectly to, or arise in any way out of, or in connection with, any fact, circumstance, or event related to the approval of the Disbursement Amount or the payment to the Owner of the Disbursement Amount, including any of the following: the Contract Documents; the Owner’s performance of (or failure to perform) its obligations under the Contract Documents; the Owner’s breach or Default (see section 17) under the Contract Documents; disbursement of the Disbursement Amount; the selection, acquisition, installation, operation, or maintenance of the Improvements; the levy and collection of the Special Tax; the imposition of the Special Tax lien; and the Operating Agreement between the Authority and Contra Costa County. The Owner’s obligations hereunder apply whether they accrue or are discovered before or after the disbursement of the Disbursement Amount to the Owner or the Owner’s designee.

The indemnity obligations described above will survive the disbursement of the Disbursement Amount to the Owner or the Owner’s designee, the payment of the Special Tax obligation in full, the transfer or sale of the Property by Owner, and the termination of this agreement.

3. Waiver of Claims and Release

Acting for itself; for its successors-in-interest to the Property; and for anyone claiming by, through, or under the Owner, the Owner hereby waives the right to recover from, and fully and irrevocably releases

the Authority, the Authority Parties, and the Program Administrator from, all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs, that the Owner may now have or later acquire against any of the Authority, the Authority Parties and the Program Administrator, and accruing from, or related to, any of the following:

- (1) the Contract Documents;
- (2) the advance of or failure to advance the Disbursement amount, or any amount;
- (3) the levy and collection of the Special Tax;
- (4) the imposition of the Special Tax lien;
- (5) the issuance and sale of any bonds or other evidences of indebtedness, or other financial arrangements entered into by the Authority or the Program Administrator pursuant to the Program;
- (6) the performance of the Improvements;
- (7) the Improvements;
- (8) any damage to or diminution in value of the Property that may result from installation or operation of the Improvements;
- (9) any personal injury or death that may result from installation or operation of the Improvements;
- (10) the selection of manufacturers, dealers, suppliers, contractors, or installers, or their action or inaction with respect to the Improvements;
- (11) the merchantability and fitness of the Improvements for any particular purpose, use, or application;
- (12) the amount of energy or water savings resulting from the Improvements;
- (13) the workmanship of any third parties; and
- (14) any other matter with respect to the Program (including, without limitation, the Operating Agreement between the Authority and Contra Costa County).

This release includes claims, obligations, liabilities, causes of action, and damages of which the owner is not currently aware or which the Owner does not suspect to exist, and which, if known by the Owner, would materially affect the Owner's release of the Authority, the Authority Parties, and/or the Program Administrator.

The Owner hereby acknowledges that it has read and is familiar with California Civil Code section 1542 ("Section 1542"), which is set forth below:

"A general release does not extend to claims which the creditor does not know or suspects 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 Owner hereby waives the provisions of Section 1542 solely in connection with the matters that are the subject of the foregoing waivers and releases.

PO NO. 1 Initials

PO NO. 2 Initials

PO No. 3 Initials

PO NO. 4 Initials

The Owner's waivers and releases hereunder will survive the disbursement of the Disbursement amount, the payment of the Special Tax obligation in full, the Owner's transfer or sale of the Property, and the termination of this agreement. The Owner's waivers and releases hereunder apply to the Owner's successors-in-interest to the Property and to anyone claiming by, through, or under the Owner.

[Owner(s) Signature(s)]