STATE OF CALIFORNIA

CONTRACT AMENDMENT REQUEST FORM (CARF)

CEC-276 (Revised 02/13) CALIFORNIA ENERGY COMMISSION

Original Agreement #	400-09-016	Amendment #	5

Division	Agreement Manager:	MS-	Phone
400 Efficiency Renewable Energy Division	Adrian Ownby	37	916-651-3008

Contractor's Legal Name	Federal ID Number
CRHMFA Homebuyer's Fund	68-0322272

Revisions: (check all that apply)

☐ Term Extension	New End Date: / /	Include revised schedule and complete items A, B, C, D, & H below.
☐ Budget Augmentation	Amendment Amount: $ 0	Include revised budget and complete items A, B, C, D, E, F, & H below.
☐ Budget Reallocation		Include revised budget and complete items A, B, C, D, & H below.
☒ Scope of Work Revision		Include revised scope of work and complete items A, B, C, D, & H below.
☐ Change in Project Location or Demonstration Site		Include revised scope of work and complete items A, B, C, D, G, & H below.
☐ DVBE Replacement		Include revised scope of work and complete items A, B, C, D, F, & H below.
☐ Novation/Name Change of Prime Contractor/Recipient		Include novation documentation and complete items A, C, D, & H below.
☐ Terms and Conditions Modification		Include applicable exhibits with bold/underline/ strikeout and complete items A, B, C, D, & H below.

A) Business Meeting Information

Business Meeting approval is not required for the following types of Agreements:

☐ Operational agreement (see CAM Manual for list) to be approved by Executive Director

☐ ARFVTP minor amendments delegated to Executive Director.

Proposed Business Meeting Date	09 / 11 / 2013	☒ Consent	☐ Discussion
Business Meeting Presenter	N/A	Time Needed:	minutes

Please select one list serve. Select

Agenda Item Subject and Description

CRHMFA HOMEBUYERS FUND. Possible approval of Amendment 5 to Contract 400-09-016 with the CRHMFA Homebuyers Fund to enable them to more readily provide financing for the Investor Owned Utility basic and advanced home energy upgrade programs, and to provide financing for single measure energy efficiency upgrades. (ARRA funding) Contact: Adrian Ownby.

B) Amendment Justification (For contract amendments only)

☐ Non Competitive Bid *(Attach CEC 96)*

☒ Exempt Other Governmental Entity

C) List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)

Legal Company Name:	Budget	SB	MB	DVBE
National Homebuyers Fund	$ 2,400,000.00	☐	☐	☐
	$ 0.00	☐	☐	☐
	$ 0.00	☐	☐	☐

D) List all key partners: (attach additional sheets as necessary)

Legal Company Name:

E) Budget Information **(only include amendment amount information)**

Funding Source	Funding Year of Appropriation	Budget List No.	Amount
Funding Source			$
Funding Source			$
Funding Source			$
Funding Source			$
Funding Source			$
R&D Program Area: Select Program Area		TOTAL:	$ 0
Explanation for "Other" selection			

Reimbursement Contract #:	Federal Agreement #:

F) Disabled Veteran Business Enterprise Program (DVBE)

1. ☒ Exempt (Interagency/Other Government Entity)
2. ☐ Meets DVBE Requirements DVBE Amount:$ _____ DVBE %: _____
   - ☐ Contractor is Certified DVBE
   - ☐ Contractor is Subcontracting with a DVBE: Name of DVBE Company
3. ☐ Contractor selected through CMAS or MSA with no DVBE participation.
4. ☐ Requesting DVBE Exemption (attach CEC 95)

G) California Environmental Quality Act (CEQA) Compliance

1. Is Agreement considered a "Project" under CEQA?
   ☐ Yes (skip to question 2) ☒ No (complete the following (PRC 21065 and 14 CCR 15378)):
   Explain why Agreement is not considered a "Project":
   Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because Program will provide financing for energy efficiency retroits to existing homes.
2. If Agreement is considered a "Project" under CEQA:
   ☐ a) Agreement **IS** exempt. (Attach draft NOE)
   - ☐ Statutory Exemption. List PRC and/or CCR section number:
   - ☐ Categorical Exemption. List CCR section number:
   - ☐ Common Sense Exemption. 14 CCR 15061 (b) (3)

   Explain reason why Agreement is exempt under the above section:

   ☐ b) Agreement **IS NOT** exempt. (Consult with the legal office to determine next steps.)
   Check all that apply
   - ☐ Initial Study
   - ☐ Negative Declaration
   - ☐ Mitigated Negative Declaration
   - ☐ Environmental Impact Report
   - ☐ Statement of Overriding Considerations

H) The following items should be attached to this ARF (as applicable)

1. Exhibit A, Scope of Work	☐ N/A	☒ Attached
2. Exhibit B, Budget Detail	☒ N/A	☐ Attached
3. CEC 96, NCB Request	☒ N/A	☐ Attached
4. CEC 95, DVBE Exemption Request	☐ N/A	☒ Attached
5. CEQA Documentation	☒ N/A	☐ Attached
6. Novation Documentation	☒ N/A	☐ Attached
7. CEC 105, Questionnaire for Identifying Conflicts		☒ Attached

Agreement Manager	Date	Office Manager	Date	Deputy Director	Date

Exhibit A
SCOPE OF WORK

This Scope of Work is effective beginning May 1, 2012, unless prior written approval to begin work under this amended Scope of Work is provided by the Commission Contract Manager. The prior Scope of Work shall remain effective until this Scope of Work becomes effective.

TECHNICAL TASK LIST

Task #	**Task Name**
1	Administration
1.1	Progress Reports
1.2	CPR Meetings
1.3	Identify and Obtain Leverage Funds
1.4	Confirm Required Permits Obtained
1.5	Electronic File Format
1.6	Prevailing Wage Determinations and Weekly Certified Payrolls
1.7	Historic Preservation Consultation
1.8	Waste Management Plan
2	Technical Tasks
2.1	Service Existing Loan Portfolio
2.2	Implement and Administer a Revolving Loan Fund
2.3	Implement and Administer a Leveraging Fund Account

KEY NAME LIST

Task #	**Key Personnel**	**Key Subcontractor(s)**	**Key Partner(s)**
1		RAI, NHF	
1.1	ML CF AR CH	RAI, NHF	
1.2	ML KD PT CF	RAI, NHF	
1.3	ML KD PT CF	RAI, NHF	
1.4	PT	RAI, NHF	
1.5	PT, CH, AR	RAI, NHF	
1.6	ML, PT	RAI, NHF	
1.7	ML, PT	RAI, NHF	
1.8	ML, KD		
2		RAI, NHF	
2.1	KD, PT, AR, NW, CF	RAI, NHF	
2.2	ML, KD, PT, CH, AR, CF	RAI, NHF	BPC, HR
2.3	ML, KD, PT, CF, AR,	RAI, NHF	BPC, HR

CHF – CRHMFA Homebuyers Fund
CF - Craig Ferguson ML – Mark Lowder
KD – Karl Dolk PT – Peter Tran CH – Carolyn Holmes
AR – Anthony Rahill NW – Nick Walter

Key Partners
BPC – Building Performance Contractors HRs – HERS Raters

ACRONYMS
Specific terms and acronyms used throughout this work statement are defined as follows:

Acronym	**Definition**
Agreement	Contract No. 400-09-016 between California Energy Commission and CRHMFA Homebuyers Fund *(as amended)*
ARRA	American Recovery and Reinvestment Act of 2009
CCM	Commission Contract Manager
CPR	Critical Project Review
CHF	CRHMFA Homebuyers Fund
DOE	U. S. Department of Energy
EUC	Energy Upgrade California
HERS	Home Energy Rating System
MIST	Moderate Income Sustainable Technology
NHF	National Homebuyers Fund, Inc.
OMB	U.S. Office of Management and Budget
PA	Program Administrator
PDF	Portable Document Format
RAI	Rural Alliance, Inc.
RCRC	Regional Council of Rural Counties
SEP	DOE's State Energy Program funded through ARRA
UCC-1	Uniform Commercial Code (Financing Statement)

DEFINITIONS

The following definitions apply throughout this Agreement:

"Contractor" means the entity that receives funding directly from the Energy Commission under this Agreement. The Contractor is defined as a "subrecipient" under Federal law (see Office of Management and Budget (OMB) Circular A-133, Subpart A, Section .105 and Subpart B, Section .210).

"Subaward" means an award made by the Contractor to a subawardee or vendor.

"Subawardee" means any entity other than a vendor that receives funding from the Contractor to carry out or support any portion of this Agreement. As clarified in DOE's

SEP Notice 10-004A, effective April 7, 2010, individual homeowners who receive funding through an SEP financing program are not regarded as ARRA recipients or subrecipients under applicable guidance issued by the OMB, and are not responsible for complying with requirements under the Davis-Bacon Act. Accordingly, Subawardee, as used in this Agreement, does not mean an individual homeowner who receives funding through an SEP financing program.

"Subcontractor" means a subawardee or vendor.

"Vendor" means any entity defined as such by OMB Circular A-133 (see Subpart A, Section .105 and Subpart B, Section .210). Vendor does not include contractors or other equipment or service providers hired directly by an individual homeowner that receives funding through an SEP financing program when that homeowner is not regarded as an ARRA recipient or subrecipient in accordance with DOE's SEP Notice 10-004A.

Problem Statement

California counties suffer from high rates of unemployment and a shortage of effective programs to address improvement of the energy efficiency of residences owned by moderate income citizens. The Moderate Income Sustainable Technology (MIST) program is designed to create jobs and stimulate the economy through a comprehensive program to implement whole-house energy retrofits in existing residential buildings.

Goals and Objectives of the Agreement

The goals of this Agreement are to:

1. Service the existing loan portfolio.
2. Create a sustainable, self-replenishing source, revolving loan fund ("Revolving Loan Fund") for comprehensive, **Second and** Third Tier energy efficiency retrofits for California homeowners in the low-to-moderate income segments (Based on a percentage of Area or State Median Income, as determined by Contractor staff and Commission Contract Manager); and
3. Create jobs and enhance the economy in California, most of which has relatively high rates of unemployment. These jobs should mostly be for local construction, energy efficiency measure installation, and quality assurance verification. Contractor will focus MIST program promotional efforts on California counties which Contractor determines, in its sole discretion, are most suitable for the MIST program.

The goal of the programs contemplated in this Agreement is to service existing loans and to continue to provide loans to low or moderate income individual California homeowners, which will be used to perform energy efficient residential retrofit improvements. Contractor will make good-faith efforts to enforce the loan obligations in the event of borrower default. However, the Contractor will not be required to replenish or replace any funds awarded pursuant to this Agreement that are lost due to loan defaults. Losses due to defaults by borrowers are anticipated and are an allowable cost under this Agreement, but Contractor shall take commercially reasonable efforts to minimize such losses to the extent such efforts are economically feasible. This

recognition is consistent with the clarification on loan defaults provided in DOE's SEP Notice 10-008B, effective August 10, 2010. No loan loss reserve shall be required under this Agreement.

The objectives of this Agreement are:

1. To service the existing loan portfolio;
2. To continue to install comprehensive **Second and** Third Tier energy efficiency measures in existing moderate income California housing stock; and
3. Retain documentation associated with all completed projects.

TASK 1.0 ADMINISTRATION

REPORTING

Task 1.1 Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the goals and objectives of this Agreement.

The Contractor shall:

- Prepare a quarterly written progress report for the Commission Contract Manager's approval which summarizes all material Agreement activities conducted by the Contractor for the reporting period.
- Prepare a quarterly budget report for the Commission Contract Manager's approval which summarizes all revenues and expenditures for the Revolving Loan Fund, including any expansion thereof, and for the leveraging fund account contemplated in Task 2.3 ("Leveraging Fund Account") .
- Prepare draft and final annual reports which summarize all material Agreement activities conducted by the Contractor for the reporting period. The final annual report is due January 31st of the year following the reporting period.
- Prepare any required federal reports.
- Retain documentation associated with all completed projects such as scope of work for each property, underwriting review of each property, third party whole house rating, installation confirmation and quality assurance report for each property.

Contractor Deliverables:

- Quarterly Progress Reports
- Draft and Final Annual Reports
- Required Federal Reporting

Commission Contract Manager Deliverables:

- Commission Contract Manager Approval of Contractor Deliverables

Task 1.2 CPR Meetings

The goal of this task is to determine if the project should continue to use existing Energy Commission funds to complete this Agreement and if it should, if there are any modifications that need to be made to the tasks, deliverables, schedule or budget.

CPRs provide the opportunity for frank discussions between the Energy Commission and the Contractor. CPRs may be initiated by either the Commission Contract Manager or the Contractor.

Participants include the Commission Contract Manager and the Contractor, and may include the Commission Contracts Officer, other Energy Commission staff and Management as well as other individuals selected by the Commission Contract Manager to provide support to the Energy Commission.

The Commission Contract Manager shall:

- Determine the location, date and time of each CPR meeting with the Contractor. These meetings generally take place at the Energy Commission, but they may take place at another location.

- Send the Contractor the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on leverage funding.

- Conduct and make a record of each CPR meeting. One of the outcomes of this meeting will be a schedule for providing the written determination described below.

- Determine whether to continue the project, and if continuing, whether or not to modify the tasks, schedule, deliverables and budget for the remainder of the Agreement, including not proceeding with one or more tasks. If the Commission Contract Manager concludes that satisfactory progress is not being made, this conclusion will be referred to the Energy Commission's Executive Director for concurrence. Any changes to the tasks, schedule, deliverables or budget for this Agreement (including, without limitation, this Scope of Work) must be acceptable to Contractor and memorialized in writing signed by Contractor.

- Provide the Contractor with a written determination in accordance with the schedule. The written response may include a requirement for the Contractor to revise one or more deliverable(s) that were included in the CPR, but that failed to meet the applicable deliverable criteria. The written determination may also include the Energy Commission decision on the amount of ARRA SEP funds to encumber into the Agreement.

The Contractor shall:

- Prepare a CPR Report that discusses the critical program issue(s) that precipitated initiating the CPR meeting. This report shall include recommendations and conclusions regarding continued work of the projects. These documents will be submitted to the Commission Contract Manager and any other designated reviewers at least 5 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about this Agreement.

Contractor Deliverables:

- CPR Report(s).
- CPR Meeting(s).

Commission Contract Manager Deliverables:

- Written Determination.

LEVERAGE FUNDS, PERMITS, AND ELECTRONIC FILE FORMAT

Task 1.3 Identify and Obtain Leverage Funds

The goal of this task is to ensure that Contractor seeks to identify leverage funds to further the goals and objectives of this Agreement.

The costs to identify, obtain and document leverage fund commitments are reimbursable through this Agreement.

The Contractor shall:

- Seek such leverage funds as may be available to further the goals, objectives and tasks of this agreement.

Contractor Deliverables:

- Report quarterly on any leveraged funds expended to further this scope of work.

Task 1.4 Confirm Required Permits Obtained

(Applicable only if the Contractor or subcontractors will perform the installation work-funded by loans made under a revolving loan fund. This is not otherwise applicable to Leveraging Fund Accounts.)

The goal of this task is to confirm that all necessary permits have been obtained before providing final financing through the Revolving Loan Fund.

The Contractor shall:

- Obtain evidence that all necessary permits have been obtained before providing final financing through the Revolving Loan Fund.

Contractor Deliverables:

- Documentation maintained in all Revolving Loan Fund files evincing proper permits were obtained.

Task 1.5 Electronic File Format

The goal of this task is to unify the formats of electronic data and documents provided to the Energy Commission as contract deliverables. Another goal is to establish the computer platforms, operating systems and software that will be required to review and approve all software deliverables.

The Contractor shall:

- Deliver documents to the Commission Contract Manager in the following formats:
    - Data sets shall be in Microsoft (MS) Access MS Excel file, or Comma Separated Value (CSV) format.
    - PC-based text documents shall be in MS Word file format.
    - Documents intended for public distribution shall be in PDF file format, with the native file format provided as well.
    - Project management documents shall be in MS Project file format.

- Websites shall be developed using HTML 4.0 and CSS 3.0, and will meet WCAG (Web Content Accessibility Guidelines), Version 2, Level A.
- Request exemptions to the electronic file format in writing at least 90 days before the deliverable is submitted.

Contractor Deliverables:
- A letter requesting exemption from the Electronic File Format (if applicable)

Commission Contract Manager Deliverables:
- Commission Contract Manager Approval of Contractor Deliverables

FEDERAL REQUIREMENTS

Task 1.6 Prevailing Wage Determinations and Weekly Certified Payrolls

(Applicable only if the Contractor or subcontractors will perform the installation work-funded by loans made under a revolving loan fund. This is not applicable to Leveraging Fund Accounts.)

The goal of this task is to ensure that the Contractor and subcontractors pay prevailing wage rates and submit weekly certified payrolls for all workers that perform labor and mechanic work to achieve the goals and objectives of this Agreement. This requirement applies to subcontracts paid for entirely with cost share funds.

As clarified in DOE's SEP Notice 10-004A, effective April 7, 2010, individual homeowners who receive funding through an SEP financing program are not regarded as ARRA recipients or subrecipients under applicable guidance issued by the OMB, and are not responsible for complying with requirements under the Davis-Bacon Act. Accordingly, this task 1.6, and any other provisions of this Agreement requiring the application of Federal prevailing wage law (including, but not limited to, the Davis-Bacon Act), are not applicable to SEP financing programs, the scope of which is limited to providing loans and/or grants to individual homeowners.

The Energy Commission and Contractor agree that Section 4.D.2 of Exhibit D to this Agreement does not create an independent contractual obligation to pay prevailing wage in accordance with State prevailing wage laws. State prevailing wage laws will apply to work performed under this Agreement only if California Labor Code § 1770 et seq. requires the payment of such wages. As set forth in the written determination from the California Department of Industrial Relations, dated March 10, 2011, State prevailing wage obligations do not apply to SEP financing programs providing loans and/or grants to individual homeowners, the proceeds of which will be used for energy efficient retrofit improvements.

The Contractor shall:
- Submit to the CCM a copy of applicable wage determinations for any and all labor and mechanic work that will be performed to achieve the goals and objectives of this Agreement (including any subcontract) within thirty (30) days of execution of this

Agreement. If subcontractors will perform labor and mechanic work, the Contractor must submit a copy of applicable wage determinations to the CCM within thirty (30) days of execution of the subcontracts.

- Submit to the Energy Commission on a weekly basis a copy of all certified payrolls by the Contractor and subcontractors of any tier performing labor and mechanic work to achieve the objectives of this Agreement. Exhibit E, Section 2.M of this Agreement (Davis-Bacon Act and Contract Work Hours and Safety Standards Act) provides the required specifications for certified payrolls.

Deliverables:

- Copies of Applicable Wage Determinations
- Weekly Certified Payrolls

Task 1.7 Historic Preservation Consultation

(Applicable only if the Contractor or subcontractors will perform the installation work-funded by loans made under a revolving loan fund. This is not applicable to Leveraging Fund Accounts.)

The goal of this task is to ensure that the Contractor complies with the requirements of Section 106 of the National Historic Preservation Act (NHPA) prior to expenditure of SEP funds under this Agreement to alter any structure or site. The Energy Commission has executed a Programmatic Agreement with the California State Historic Preservation Officer (SHPO) to streamline the Section 106 consultation process. Under the Programmatic Agreement, the Energy Commission will evaluate projects to determine whether they are categorically excluded from the SHPO's direct review and consultation.

The Contractor shall:

- Ensure that applications for properties that are 45 years or older contain a letter of approval from SHPO

Deliverables:

- Documentation maintained in all Revolving Loan Fund files evincing SHPO letter when required.

Task 1.8 Waste Management Plan

(Applicable only if the Contractor or subcontractors will perform the installation work-funded by loans made under a revolving loan fund. This is not applicable to Leveraging Fund Accounts.)

The goal of this task is to ensure that the Contractor submits a Waste Management Plan to the CCM prior to expenditure of SEP funds under this Agreement on proposed project activities that may generate any sanitary or hazardous waste. The Waste Management Plan must describe the Contractor's plan to dispose of any sanitary or hazardous waste generated by any proposed project activities. Sanitary and hazardous waste includes, but is not limited to: construction and demolition debris, old light bulbs,

fluorescent ballasts and lamps, piping, roofing material, discarded equipment, debris, and asbestos. The Waste Management Plan must also describe the categories and estimated volumes of waste that the Contractor anticipates will be generated by any proposed project activities, and the disposal path for each category of waste.

The plan must comply with all federal, state, and local laws and regulations governing waste disposal.

The Contractor shall:

- Maintain its existing program-wide Waste Management Plan.

Deliverables:

- *Waste Management Plan.*

TECHNICAL TASKS

Unless otherwise provided in the individual Task, the Contractor shall prepare all deliverables in accordance with the requirements in Task 1.5.

Task 2 Program Delivery

Task 2.1 Service Existing Loan Portfolio

The goal of this task is to continue the collection of payments from existing borrowers.

The Contractor shall:

- Collect payments from borrowers.
- Follow up on delinquent loans.
- Refile UCC-1 fixture filings.

Contractor Deliverables:

- Quarterly Report of cash collections.

Task 2.2 Implement and Administer a Revolving Loan Program

The goal of this task is to make loans from remaining funds and funds generated by repayments of principal and/or interest to the revolving loan fund to California low or moderate income homeowners.

The Contractor shall:

- Develop program scale and procedures for a loan-only program.
- Conduct an underwriting review of the proposed project for cost effectiveness, compliance with the State Energy Program Guidelines and requirements, and adherence to the 10% energy savings requirement before financing renewable generation projects.
- Maintain a database of the program participants.
- Maintain/Expand the program's existing building performance contractor base.

- Comply with any DOE or other federal and state reporting requirements applicable to the Revolving Loan Fund. Contractor acknowledges that the Energy Commission must transmit information from the Contractor to DOE or other federal agencies as part of the obligations associated with the federal funds that support the Revolving Loan Fund. Contractor agrees to supply the information the Energy Commission reasonably requests in order to fulfill these requirements.
- Work cooperatively with the Energy Commission and/or its designee when this Agreement ends to transfer, as necessary, all data, documents, and legal rights, to ensure the continuity of existing loans under the Revolving Loan Fund and compliance with applicable federal and state requirements. The Contractor agrees that it will remain responsible, even beyond the end of this Agreement if necessary, for administering the loans until this transfer is successfully made to the Energy Commission or its designee. If Contractor administers the loans and/or Revolving Loan Fund beyond the end of this Agreement, Contractor will be compensated from the encumbered funds under this Agreement (whether held by the Contractor or returned to the Commission) for administering the loans and/or the Revolving Loan Fund and have rights of reimbursement as if this Agreement were still in effect. The need for this stems from the fact that the loans will exist longer than this Agreement. The Contractor is aware that the federal and state requirements associated with the funds for the Revolving Loan fund do not end just because this Agreement ends. This necessitates a transfer that does not cause a gap in compliance with these terms. This duty applies regardless of how this Agreement ends (e.g., under the termination provisions in the terms or by its own end date). Contractor agrees that its duties in this regard may include without limitation:
    - Assigning its rights under the loan documents to the Energy Commission or its designee;
    - Notifying the Commission of all payments received or outstanding;
    - Notifying the Commission of all efforts taken to enforce any obligations under the loans;
    - Ensuring, if its subcontractor issues the loans, that its subcontractors shall continue to report on the loans to the Energy Commission in the same manner as was reported to Contractor; and
- Transferring any remaining funds, funds paid under the loans, and interest to the Energy Commission.

The Commission Contract Manager shall, not later than the fourth anniversary of this Agreement, as amended (i.e. May 1, 2016), begin good-faith negotiations with Contractor for an extension of this Agreement. If the parties cannot agree to an extension of this Agreement by November 1, 2016, the Energy Commission and/or its designee shall use best efforts to effect the transfer of all data, documents, and legal rights and liabilities (associated with any loans made through the Revolving Loan Fund) to the Energy Commission, or its designee, by the last day of the term of this Agreement (i.e. April 30, 2017). If Contractor administers the loans and/or Revolving Loan Fund beyond the end of this Agreement, Contractor will be compensated from the

encumbered funds under this Agreement (whether held by the Contractor or returned to the Commission) for administering the loans and/or the Revolving Loan Fund and have rights of reimbursement as if this Agreement were still in effect.

Contractor Deliverables (upon request)**:**

- Report on the transfer requirements, procedures and estimated costs.
- Scope of work for each project.
- Underwriting review of each property.
- Completed whole house energy efficiency retrofits.
- HERS or third party Whole House Rating and installation confirmation and quality assurance report for each property from Commission approved organization.
- Final executed loan documents for each property.
- Up-to-date database of projects.
- HERS or third party Whole House Rating for each retrofitted property available through the CHF Website.
- List of approved building performance contractors and contractor outreach materials available through the CHF website.

Task 2.3 Implement and Administer a Leveraging Fund Account

The goal of this task is to assess the merits of creating a Leveraging Fund Account, and if deemed advisable by Contractor, and approved by the Commission Contract Manager, the creation and implementation of a Leveraging Fund Account.

All ARRA funds allocated to Contractor under this Agreement will be initially committed to the Revolving Loan Fund. The Leveraging Fund Account will not be created or funded until such time as Contractor is prepared, in its sole discretion and if approved in writing by the Commission Contract Manager, to reallocate funds from the Revolving Loan Fund to the Leveraging Fund Account. Contractor will assess options for permissible uses of a Leveraging Fund Account which options may include any permissible uses of ARRA funds under DOE SEP Program Notice 10-008C, dated effective March 14, 2011, or any subsequent, related guidance (each, a “Permissible Use” and collectively, the “Permissible Uses”). For example, Permissible Uses include but are not limited to loan loss reserves, interest rate buy-downs, and/or third party loan insurance. Contractor may, in its sole discretion after receiving Commission Contract Manager written approval: (a) reallocate funds to the Leveraging Fund Account from the Revolving Loan Fund; (b) use the Leveraging Fund Account for any Permissible Use, or any combination of Permissible Uses; (c) allocate and reallocate Leveraging Fund Account funds among and between any Permissible Uses; (d) reallocate Leveraging Fund Account funds back to the Revolving Loan Fund from the Leveraging Fund Account; and/or (e) determine to not create the Leveraging Fund Account nor to engage in any Permissible Uses.

The Contractor shall:

- Evaluate and pursue Permissible Uses for a Leveraging Fund Account.

- Develop a plan for engaging in a Permissible Use or Permissible Uses (only if Contractor identifies Permissible Uses which are commercially feasible and practical, as determined in Contractor's sole discretion).
- Review the Scope of Work for each project financed through additional leveraged funds for consistency with the State Energy Program guidelines and requirements, as applicable.
- Adhere to the State Energy Program Guidelines for **second and** third tier whole house residential energy efficiency retrofits for any work financed or otherwise supported through any Permissible Use.
- Work cooperatively with the Energy Commission and/or its designee when this Agreement ends to transfer, as necessary, all data, documents, and legal rights, to ensure the continuity of existing activities under the Leveraging Fund Account and compliance with applicable federal and state requirements. The Contractor agrees that it will remain responsible, even beyond the end of this Agreement if necessary, for administering the activities until this transfer is successfully made to the Energy Commission or its designee. If Contractor administers the loans and/or Leveraging Fund Account Loan Fund beyond the end of this Agreement, Contractor will be compensated from the encumbered funds under this Agreement (whether held by the Contractor or returned to the Commission) for administering the loans and/or the Leveraging Fund Account and have rights of reimbursement as if this Agreement were still in effect. The need for this stems from the fact that the activities under the Leveraging Fund Account will exist longer than this Agreement. The Contractor is aware that the federal and state requirements associated with the funds for these activities do not end just because this Agreement ends. This necessitates a transfer that does not cause a gap in compliance with these terms. This duty applies regardless of how this Agreement ends (e.g., under the termination provisions in the terms or by its own end date). Contractor agrees that its duties in this regard may include without limitation:
    - Assigning its rights under the Leveraging Fund Account to the Energy Commission or its designee;
    - Notifying the Commission of all payments received or outstanding;
    - Notifying the Commission of all efforts taken to enforce any obligations under the Leveraging Fund Account;
    - Ensuring, if its subcontractor performs activities under the Leveraging Fund Account, that its subcontractors shall continue to report to the Energy Commission in the same manner as was reported to Contractor; and
- Transferring any remaining funds, funds paid under the Leveraging Fund Account, and interest to the Energy Commission.

The Commission Contract Manager shall, not later than the fourth anniversary of this Agreement, as amended (i.e. May 1, 2016), begin good-faith negotiations with Contractor for an extension of this Agreement. If the parties cannot agree to an extension of this Agreement by November 1, 2016, the Energy Commission and/or its designee shall use best efforts to effect the transfer of all data, documents, and legal

rights and liabilities (associated with any loans made through the Leveraging Fund Account) to the Energy Commission, or its designee, by the last day of the term of this Agreement (i.e. April 30, 2017). If Contractor administers the loans and/or Leveraging Fund Account beyond the end of this Agreement, Contractor will be compensated from the encumbered funds under this Agreement (whether held by the Contractor or returned to the Commission) for administering the loans and/or the Leveraging Fund Account and have rights of reimbursement as if this Agreement were still in effect.

Contractor Deliverables (documentation to be kept in Contractor files and made available upon request):

- Report on the transfer requirements, procedures and estimated costs.
- Scope of work for each project.
- Underwriting review of each property (if applicable).
- Completed whole house energy efficiency retrofits.
- Up-to-date database of projects.
- **~~HERS or third party Whole House Rating for each retrofitted property available through the CHF Website.~~Quality assurance policies, procedures and documentation as appropriate to the retrofit project. This may include but is not limited to reliance on: a HERS or third party Whole Housing Rating; Energy Upgrade California Quality Assurance systems; HERS verfications; and Investor Owned or Municipal Utility quality assurance systems.**
- List of approved building performance contractors and contractor outreach materials available through the CHF website.