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"To enrich lives through effective and caring service"

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13 March 3, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

March 03, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

IMPLEMENT THE COUNTY'S RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING PROGRAM AND AUTHORIZE AND EXECUTE CONTRACTS FOR TWO PROGRAM ADMINISTRATORS (ALL DISTRICTS - 3 VOTES)

SUBJECT

The Internal Services Department (ISD) and Treasurer and Tax Collector (TTC) return to the Board as directed on August 12, 2014, to seek authority to implement the County's residential Property Assessed Clean Energy (PACE) Financing Program, and to have the Board authorize and execute contracts for two third-party program administrators.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize and execute a contract for residential PACE program administrators with the following two companies:

    a. Renovate America, Inc.; and

    b. Renewable Funding LLC.

2. Authorize ISD and TTC to implement the residential PACE program, including issuance of PACE bonds upon receipt of a positive judgment under the Judicial Validation proceeding for the County's PACE program.

3. Delegate authority to the Director of ISD, or his designee, to authorize and execute amendments to the PACE program administration contracts, so long as such does not result in any net County cost, including those amendments for any programmatic enhancements to address market or Federal Housing Finance Agency (FHFA) changes, the exercise of any option years, or the Contractor's merger, acquisition, or change of ownership or entity.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Per the direction from your Board on August 12, 2014, ISD, in collaboration with TTC, developed and completed a competitive solicitation for one or more residential PACE program administrators. It is recommended that your Board execute a contract with the two highest-ranking proposers to administer a residential PACE program within Los Angeles County.

Background

This matter was last before your Board on August 12, 2014. At that time, ISD and TTC requested your Board to authorize the following steps necessary to implement a residential PACE program in the County:

1. Adopt a resolution authorizing the execution and delivery of a bond indenture, assessment contract and bond purchase agreement in relation to residential PACE, and authorizing the commencement of a judicial validation action;

2. Authorize ISD to release a new Request for Proposals (RFP) for one or more residential PACE program administrators;

3. Authorize ISD and TTC, in coordination with the Chief Executive Office and County Counsel, to develop a residential PACE program consistent with this Board letter; and

4. Additionally, your Board directed ISD to create an incentive in the scoring of the PACE RFP that would encourage all proposers to create improved financing opportunities for eligible water efficiency improvements as a component of the County's PACE.

The current status of each of these actions is summarized as follows:

Judicial Validation [No. 1]

In accordance with Section 5989.30 of the California Streets and Highways Code, as amended by AB811, the levy and collection of assessments pursuant to residential PACE are valid under existing law and provide for the priority status of the PACE assessment lien.

On October 2, 2014, TTC and County Counsel, working with the County's outside bond counsel for the PACE Program (Hawkins Delafield & Wood LLP), initiated a Judicial Validation proceeding in the California State Superior Court in Los Angeles County (Court) for the County's PACE program. The anticipated judgment by the Court, addressing the validity of the PACE assessments and confirming the priority lien status of the ensuing assessments, will be of importance to potential PACE investors and will help facilitate the future securitization of PACE bonds issued in the County.

To date, no parties have intervened in the Judicial Validation proceeding. The County's outside bond counsel understands, from recent communications with the Court Clerk, that the Judicial Validation proceeding may be completed in late March or early April, 2015. Upon receipt of a positive, final judgment from the Court, ISD and TTC will implement the residential PACE program.

RFP for Program Administrators [No. 2]

On August 26, 2014, ISD issued an RFP for one or more residential PACE program administrators. Four proposals were received, evaluated, and scored. ISD, upon consultation with TTC, determined that the proposers providing the two highest-scoring proposals should be selected to enter into negotiations, as multiple administrators would facilitate a more competitive market to the benefit of property owners, using two administrators would not commensurately increase the County's internal administration, and the two highest-scoring proposals in this procurement were both rated substantially higher than the other proposals.

On December 23, 2014, negotiations were successfully concluded with the highest-ranking proposer (Renovate America), and on January 9, 2015, negotiations were successfully concluded with the second-highest ranking proposer (Renewable Funding).

The procurement process and the proposed contracts are discussed in more detail in the section titled CONTRACTING PROCESS, below.

Development of the PACE Program and Mitigation of Risks per the August 12, 2014 Board Letter [No. 3]

The August 12, 2014 Board letter discussed certain aspects of residential PACE programs that posed possible risks to participating property owners. That Board letter listed in detail a number of measures to be undertaken by ISD, TTC, and County Counsel in developing the solicitation for the PACE program administrators, as well as during negotiations of the final proposed contracts with the program administrators. Some of the more significant measures integrated into the proposed contracts are briefly described as follows:

Homeowner Mortgage Foreclosure and Other Mortgage Risks

The proposed contracts (Exhibit A - Statement of Work, at Section 4.0 - FHFA Mitigation) require the program administrators to establish and use a clear response plan to address and mitigate any actions taken by the Federal Housing and Finance Authority (FHFA) against the County or property that could have adverse impacts on property owners. This response and mitigation plan is subject to the County's approval. If the administrators could not construct a response and mitigation plan acceptable to the County, then the County could suspend the PACE program offering for any new participants.

Additionally, the proposed contracts require the program administrators to implement a loss reserve program, using County PACE program revenues to protect property owners from potential foreclosure initiated by PACE bondholders in the event the property owner misses an assessment payment.

Disclosure of Risks to Homeowners, Consumer Protections

The proposed contracts provide specific direction regarding language to be used in the PACE financing process which adequately discloses the potential risks and obligations of program participants. Property owners must sign a program document acknowledging the disclosures, which include: a description of the statements issued by Freddie Mac and Fannie Mae regarding possible restrictions on the purchase of mortgages with PACE assessments, and a directive for applicants to review their existing mortgage documents to determine if a PACE lien can be added to their property, and the eligibility of their mortgage to be acquired by Freddie Mac or Fannie Mae if a PACE assessment lien is included on the property.

The County's solicitation included an evaluation of each proposer's plan for consumer protection. The proposed contracts require the program administrators to develop a detailed consumer protection plan for homeowners addressing: predatory lending practices, unscrupulous contractors, and poor quality program servicing. The consumer protection plan must also include specific measures to protect seniors over 65 years of age and non-English speaking constituents among other, additional requirements.

Water Efficiency Measures [No. 4]

The proposed contracts require that the PACE Program administrators include activities to increase the adoption rate of water conservation measures. Activities shall, at a minimum, include:

- Actively analyze additional and/or new water technologies for inclusion in the eligible measures list;
- Educate participating contractors regarding water conservation measures and help them build a referral system of reputable installers;
- Use marketing channels, press events and collateral to increase consumer awareness of water efficiency upgrades; and
- Coordinate with local outreach and awareness efforts to utilize existing water utility conservation programs and incentives, including those from LA County Water Authority, LADWP, and Metropolitan Water District.

<u>Implementation of Strategic Plan Goals</u>

The recommended actions support County Strategic Plan Goal 1, Operational Effectiveness, by providing a program that promotes energy efficiency and conservation, and enhances health and sustainable practices in the County.

The recommended actions also support County Strategic Plan Goal 2, Community Support and Responsiveness, by providing a program that provides economic benefits to County constituents and supports greenhouse gas reductions throughout the County.

FISCAL IMPACT/FINANCING

Under the proposed contracts, the third-party administrators will provide PACE Program services at no cost to the County. The administrators will receive compensation through the fees and interest rates charged to property owners who utilize the PACE Program.

The administrators are required to reimburse the County for all costs borne by the County to administer the Contract and to support the PACE Program up to one percent (1%) of the par amount of the PACE Program assessment bonds issued. County costs may include, but are not limited to, collecting and distributing the assessment, annual administrative costs incurred by the County, training of contractors, outreach to stakeholders and coordination with other energy programs administered by the County. County staff time is subject to full reimbursement by Contractor.

The County residential PACE Program will not incur any net County costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Potential FHFA Risk

In July 2010, the FHFA asserted that PACE assessments violated the terms of the uniform security instrument used in mortgage contracts purchased by the Federal Mortgage Agencies. This assertion has been reviewed by County Counsel and found to be accurate with respect to the uniform security instrument used in the majority of mortgage contracts within California. It is estimated that upwards of 80% of all new mortgages in California are “conforming loans” eligible for purchase by the Federal Mortgage Agencies and include terms and conditions specifically aligned with the uniform security instrument referenced by the FHFA.

The three main actions FHFA could initiate as a result of a local government, such as the County, entering into a residential PACE program are as follows:

- Require that PACE assessments be paid in full at the time of sale or refinancing;
- Tighten underwriting criteria in residential PACE jurisdictions; and
- Require that the Federal Mortgage Agencies cease purchasing mortgages in residential PACE jurisdictions.

In the section above titled PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION, we discussed how the PACE program development process as well as the final proposed contracts address and mitigate risk to property owners in the context of these potential FHFA responses.

The potential conflict with FHFA over the terms of the federal uniform security instrument is a risk inherent in any new residential PACE program. It is the view of ISD, TTC, and County Counsel that such risk can be fully eliminated only through federal legislation or a change in the terms and conditions of the uniform security instrument utilized in California. By initiating a residential PACE program, the County is making a determination that the risk associated with current FHFA statements is manageable and should not threaten property owners within Los Angeles County. ISD, TTC, and County Counsel will continue to monitor the actions of both FHFA and the Federal Mortgage Agencies, and will keep your Board apprised of any new developments.

Given the latest progress of residential PACE programs throughout California, as indicated in the August 12, 2014 Board letter, ISD, TTC and County Counsel believe it is unlikely that FHFA will take any actions against property owners with residential PACE assessments. The following metrics show the continued progress of residential PACE programs in California:

- Over 300 jurisdictions (counties and cities) enrolled in one or more operating residential PACE programs;
- Over $230 million in residential PACE bonds sold to investors;
- Nearly 50,000 residential PACE projects either approved or completed.

Judicial Validation

As discussed on page 2, above, the County initiated a judicial validation proceeding on October 2, 2014, seeking a declaration that the levy and collection of assessments under the County's residential PACE program would be valid under existing law and would have the senior priority status of an assessment lien.

CONTRACTING PROCESS

On August 26, 2014, ISD issued an RFP for one or more residential PACE program administrators. Four proposals were received, evaluated, and scored. ISD, upon consultation with TTC, determined that the proposers providing the two highest-scoring proposals should be selected to enter into contract negotiations.

The proposed contracts were negotiated consecutively by a team from ISD, TTC, and County Counsel. On December 23, 2014, negotiations were successfully concluded with the highest-ranking proposer (Renovate America), and on January 9, 2015, negotiations were successfully concluded and the second-highest ranking proposer (Renewable Funding).

County Counsel reviewed the Request for Proposal, including its Sample Contract, prior to release, and participated in all contract negotiations. County Counsel approved the final proposed contracts as to form.

The proposed contracts include all Board-required programmatic provisions, and are unchanged from the Sample Contract that was issued with the RFP, except as noted below.

Renovate America, Inc.

The proposed contract with Renovate America is included as Attachment 1. All bracketed references in this discussion are to Attachment 1.

Renovate America objected to certain provisions in the Sample Agreement, and certain revisions resulted from negotiations.

The County's standard Termination for Default provision was revised to expressly reflect reciprocal rights for both parties [§ 8.43]. The County Sample Contract contains a Termination for Default provision that is unilateral and in favor of the County only. However, since each party would not be

foreclosed from pursuing legal remedies for any material breach by the other party, this revision would provide Renovate America with a procedural right to terminate the agreement for the County's material breach using agreed upon contractual processes, and not otherwise reduce the County's rights.

The County's unilateral right to termination for convenience has been deleted [§ 8.42]. To address the main circumstance that could potentially cause the County to elect to terminate for convenience, the Force Majeure clause has been amended and strengthened, to expressly state that adverse FHFA action that cannot be mitigated by Renovate America would constitute a force majeure event and suspension of continued offering of the PACE program [§§ 8.20.1, 8.20.4].

The County added a more specific data destruction clause to address the potential use of data under the PACE program [§ 9.5].

The administrator's various indemnification obligations are now consolidated and standardized in a single, comprehensive clause [§§ 8.23.1-8.23.7].

Renewable Funding, LLC

The proposed contract with Renewable Funding is included as Attachment 2. All bracketed references in this discussion are to Attachment 2.

Renewable Funding did not submit objections to the Sample Agreement.

The County added a more specific data destruction clause to address the potential use of data under the PACE program [§ 9.5].

The administrator's various indemnification obligations are now consolidated and standardized in a single, comprehensive clause [§§ 8.23.1-8.23.7].

Administrative Protest

A third proposer exercised its rights to the County's administrative protest process, but the protest was unsubstantiated and lacked merit.

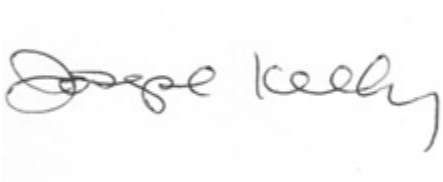
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on currents services or projects provided by ISD, TTC, or County Counsel.

CONCLUSION

The Executive Office of the Board of Supervisors is requested to return two stamped and signed copies of each of the approved contracts to the Director of ISD.

Respectfully submitted,



Joseph Kelly

Treasurer and Tax Collector

JIM JONES

Director

JJ:DC:JLG:HC

Enclosures

c: Executive Officer, Board of Supervisor
Chief Executive Officer
Chief Operating Officer
County Counsel
Auditor Controller

78348

CONTRACT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
RENOVATE AMERICA, INC.
FOR
RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM ADMINISTRATION

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J	May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution
K	July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs
L	May 6, 2014 Board Letter - Authorize the Auditor-Controller to place residential Property Assessed Clean Energy (PACE) assessments on County tax rolls and authorize the Internal Services Department and Treasurer Tax Collector to perform an evaluation of the steps needed to implement a residential PACE program, including the execution of a solicitation to select a PACE Program Administrator
M	August 12, 2014 Board Letter - Residential Property Assessed Clean Energy (PACE) Program

CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
RENOVATE AMERICA, INC.
FOR
RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM ADMINISTRATION

This Contract is made and entered into as of the Effective Date by and between the County of Los Angeles, hereinafter referred to as County and Renovate America, Inc., a Delaware corporation, hereinafter referred to as Contractor.

RECITALS

WHEREAS, the County may contract with private businesses for Residential Property Assessed Clean Energy (PACE) Program Administration when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing Residential Property Assessed Clean Energy (PACE) Program Administration; and

WHEREAS, this Contract is therefore authorized under California Government Code Section 31000, which authorizes the Board of Supervisors to contract for special services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

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1.0 APPLICABLE DOCUMENTS

This base document, together with Exhibits A, B, C, D, E, F, G, H, I, J, K, L, and M attached hereto and incorporated by this reference collectively form, and are referenced throughout and hereinafter as the "Contract." Any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base document and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the base document and Exhibit A (SOW), which are to be read together as a unified whole, and then to the Exhibits according to the following priority:

1.1 Base Document and Exhibit A -Statement of Work (SOW)

1.2 Exhibit B- Request for Proposals for Residential Property Assessed Clean Energy (PACE) Program Administration #104464 (RFP)

1.3 Exhibit C - Contractor's EEO Certification

1.4 Exhibit D - County's Administration

1.5 Exhibit E - Contractor's Administration

1.6 Exhibit F - Contractor Acknowledgement and Confidentiality Agreement

1.7 Exhibit G - Jury Service Ordinance

1.8 Exhibit H - Safely Surrendered Baby Law

1.9 Exhibit I - Charitable Contributions Certification

1.10 Exhibit J - May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution

1.11 Exhibit K - July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs

1.12 Exhibit L - May 6, 2014 Board Letter - Authorize the Auditor-Controller to place residential Property Assessed Clean Energy (PACE) assessments on County tax rolls and authorize the Internal Services Department and Treasurer Tax Collector to perform an evaluation of the steps needed to implement a residential PACE program, including the execution of a solicitation to select a PACE Program Administrator

1.13 Exhibit M - August 12, 2014 Board Letter - Residential Property Assessed Clean Energy (PACE) Program

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, whether written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.1 - Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used

herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

2.1 **American Recovery and Reinvestment Act of 2009 (ARRA)**: Commonly referred to as the Stimulus or The Recovery Act. ARRA was an economic stimulus package enacted by the 111th United States Congress in February 2009, and signed into law on February 17, 2009, by President Obama.

2.2 **California PACE Loss Reserve Fund:** Authorized by Senate Bill 96 (2013), it is designed to address FHFA's financial concerns by making first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE loan. If a mortgage lender forecloses on a home that has a PACE lien, the reserve can be used to cover PACE payments during the foreclosure period. Alternatively, if a local government sells a home for unpaid taxes and the sale price falls short of the outstanding tax and first mortgage amounts, the reserve can be used to cover the shortfall (up to the amount of outstanding PACE payments). The $10 million Loss Reserve will be available for all PACE loans issued by enrolled PACE programs and reported to CAEATFA for the length of their terms. PACE programs will report to CAEATFA semi-annually and pay a small administrative fee based on the principal amount of new loans they issue.

2.3 **Completion Certificate**: Document provided to County to certify the completion of a project.

2.4 **Contract**: Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of Exhibit A - SOW.

2.5 **Contractor Program Director**: The individual designated by the Contractor with authority on contractual or administrative matters relating to this Contract that cannot be resolved by the Contractor's Program Manager.

2.6 **Contractor Program Manager**: The individual designated by the Contractor to administer the Contract operations after the Contract award.

2.7 **Contractor**: The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the SOW.

2.8 **County Project Director**: Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.

2.9 **County Project Manager**: Person designated by County's Project Director to manage the operations under this Contract.

2.10 **Day(s)**: Calendar day(s) unless otherwise specified.

2.11 **DEER**: Database for Energy Efficient Resources. (http://www.deeresources.com/)

2.12 **Delinquent Assessment Payments:** A property tax bill and any assessments contained therein is deemed delinquent if any portion of the amount due remains unpaid as of June 30th.

2.13 **Department Head**: Director of Internal Services Department.

2.14 **Department**: Internal Services Department.

2.15 **Early Payoff**: The act of paying the full amount owed on the PACE assessment prior to the end of the PACE assessment term. If an early payoff is requested by the property owner a payoff statement will be prepared showing the remaining terms on the assessment and any early payoff penalties that may be charged.

2.16 **Effective Date:** After acceptance and execution of this Contract by the Contractor, the date this Contract is accepted and approved by the County's Board of Supervisors.

2.17 **Federal Home Loan Mortgage Corporation (FMAC)**: It is a government-sponsored enterprise, commonly known as Freddie Mac, whose primary responsibility is to provide liquidity, stability and affordability to the nation's housing market.

2.18 **Federal Housing Finance Agency (FHFA)**: It is an independent regulatory agency responsible for the oversight of vital components of the secondary mortgage markets – the housing government-sponsored enterprises of Fannie Mae, Freddie Mac and the Federal Home Loan Bank System. Additionally, the FHFA is the conservator of Fannie Mae and Freddie Mac.

2.19 **Federal National Mortgage Association (FNMA)**: It is a government-sponsored enterprise, commonly known as Fannie Mae, whose primary responsibility is to guarantee and purchase loans from mortgage lenders to ensure families can buy homes, refinance or rent a good home.

2.20 **Fiscal Year**: The twelve (12) month period beginning July 1st and ending the following June 30th.

2.21 **ISD**: Internal Services Department.

2.22 **Judicial Validation**: The process where the County PACE Program goes through a State court proceeding to allow any interested stakeholders to intervene and query the legality or other characteristics of the PACE Program to provide assurances to potential PACE Program bond investors that the PACE Program meets all legal requirements.

2.23 **July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs**: FHFA's Guidance Memo on July 6, 2010 to FNMA and FMAC describing the actions FHFA will take. Attached as Exhibit K.

2.24 **May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution**: Board Letter adopting the Los Angeles County Energy Program (LACEP) via the LACEP Program Report on May 25, 2010. Attached as Exhibit J and includes the following:

- **LACEP Assessment Contract**: The agreements by and between the County and free and willing property owners participating in LACEP, pursuant to which the County agrees to provide financing to such property owners for the acquisition, construction and installation of improvements to such owners' properties.
- **LACEP Program Report**: The legal document approved by County Board of Supervisors enabling the establishment of a residential and commercial PACE program within Los Angeles County pursuant to PACE enabling legislation, which provides a general description of work anticipated in the

County's Residential PACE Program. This document also refers to the PACE programs as Los Angeles County Energy Program (LACEP).

2.25 **Officer of the Company**: A person appointed by the directors to manage the daily affairs of a corporation, sign certain documents and accept legal process for the corporation.

2.26 **PACE Program**: The Los Angeles County Residential PACE Program established as the LACEP pursuant to a Resolution adopted by the Board of Supervisors, on May 25, 2010, under the Contractual Assessment Law.

2.27 **Participating Contractor**: A home improvement contractor who has signed an agreement to participate in the PACE Program, completed the training, and maintains their eligibility.

2.28 **Program Administrator**: An organization or a team of organizations under a prime contractor who can provide turnkey design, implementation and administration services for the PACE Program.

2.29 **Program Launch**: Shall be the earliest date the County and Contractor mutually concur that the PACE Program may be offered to the public.

2.30 **Project**: The addition to or alteration, conversion, improvement, modernization, remodeling, repair or replacement of a building or part of a building that is used or designed to be used as a residence or dwelling place. For the purpose of this RFP and the PACE Program, all projects referred to herein must comply with the requirements as stated in California Assembly Bill 811.

2.31 **Property Assessed Clean Energy (PACE)**: PACE is an innovative way to finance energy and water improvements to buildings and repay the cost of the improvements by means of a special assessment on property taxes bill of property owners.

2.32 **SOW**: Statement of Work. The complete scope of services requested through this RFP.

3.0 WORK

3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

4.1 The term of this Contract shall be five (5) years commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County shall have the sole option to extend this Contract term for up to five (5) additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of ten (10) years and six (6) months. Each such

option and extension shall be exercised at the sole discretion of the Department Head or designee as authorized by the Board of Supervisors.

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

4.3 The Contractor shall notify County when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to County at the address herein provided in Exhibit D - County's Administration.

5.0 CONTRACT SUM

The Contractor will provide PACE Program services at no cost to the County. Contractor will receive compensation through the fees and interest rates charged to property owners who utilize the PACE Program.

5.1 **Reimbursements**

Contractor will reimburse County for all costs borne by the County to administer the Contract and to support the PACE Program. Without limiting the generality of the foregoing, the Projected County costs are indicated in Appendix B – SOW, Sub-paragraph 8.2.6 of 8.2 - Financing, Assessment, Bond Issuance, and Funding.

5.2 **Other Payments**

Contractor shall provide moneys due to County such as for liquidated damages, fees assessed, and/or for any other applicable reason, within thirty (30) days when demand is made for other moneys.

Contractor shall remit all moneys by check, payable to the County of Los Angeles.

Internal Services Department
1100 N Eastern Ave
Los Angeles, CA 90063

In the event Contractor declines to pay County for the moneys owed, County reserves the right to terminate this Contract.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

<u>COUNTY ADMINISTRATION</u>

A listing of all County Administration referenced in the following sub-paragraphs are designated in Exhibit D - County's Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Project Director

Responsibilities of the County's Project Director include:

- ensuring that the objectives of this Contract are met; and
- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Project Manager

The responsibilities of the County's Project Manager include:

- meeting with the Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Program Director

7.1.1 The Contractor's Program Director is designated in Exhibit E - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Program Director.

7.2 Contractor's Program Manager

7.2.1 The Contractor's Program Manager is designated in Exhibit E - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Program Manager.

7.2.2 The Contractor's Program Manager shall be responsible for the Contractor's day-to-day activities as related to this Contract and shall coordinate with County's Project Manager on a regular basis.

7.2.3 The Contractor's Program Manager must have ten (10) years of experience, or be acceptable to the County.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Program Manager.

7.4 Contractor's Staff Identification

Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

7.5 Background and Security Investigations

7.5.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

7.5.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.5.4 Disqualification of any member of Contractor's staff pursuant to this sub-paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.6 Confidentiality

7.6.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this paragraph, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this paragraph shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.6.4 Contractor shall sign and adhere to the provisions of Exhibit F - Contractor Acknowledgement and Confidentiality Agreement.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

8.1.1 For any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by Department Head or designee.

8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by Department Head or designee.

8.1.3 The Department Head or designee may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and by Department Head or designee.

8.2 Assignment and Delegation

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract, <u>which consent shall not be withheld unreasonably</u>, in accordance with applicable provisions of this PACE procurement or Contract. For the avoidance of doubt, nothing in this Section 8.2.2 or in Section 8.2.3 below shall limit or constrain Contractor's ability to sell, convey, pledge

or transfer any bonds or other financial instruments reflecting the obligations of the property owners under the PACE Program without obtaining the consent of the County.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

8.5 Complaints

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 Within seven (7) business days after Contract effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.

8.5.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.

8.5.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within seven (7) business days for County approval.

8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.

8.5.5 The Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within two (2) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses shall be sent to the County's Project Manager within two (2) business days of mailing to the complainant.

8.6 Compliance with Applicable Law

8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this paragraph shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 Compliance with Civil Rights Laws

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be

otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit C - Contractor's EEO Certification.

8.8 Compliance with the County's Jury Service Program

8.8.1 **Jury Service Program:**

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit G and incorporated by reference into and made a part of this Contract.

8.8.2 **Written Employee Jury Service Policy.**

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the County under the Contract, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall

have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 Consideration of Hiring Gain/Grow Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: gaingrow@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 Contractor Responsibility and Debarment

8.12.1 **Responsible Contractor**

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 **Chapter 2.202 of the County Code**

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

8.12.3 **Non-responsible Contractor**

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which

negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.12.4 **Contractor Hearing Board**

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has

been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 **Subcontractors of Contractor**

These terms shall also apply to Subcontractors of County Contractors.

8.13 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the

Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Contract Compliance Assurance Plan

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors.

The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 Damage to County Facilities, Buildings or Grounds

8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

8.19 Fair Labor Standards

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor’s employees for which the County may be found jointly or solely liable.

8.20 Force Majeure

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, adverse action by the FHFA that is not remedied by the Contractor pursuant to *Section 4.0 (FHFA Mitigation)* of the Statement of Work, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.20.4 Upon any adverse action by the FHFA, the County may suspend enrollment of new property owners under this Contract unless and until the Contractor delivers and implements a response plan approved by the County.

8.21 Governing Law, Jurisdiction, and Venue

This Contract is made and executed, and will be performed, all within the State of California. As such, this Contract shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in Sub-paragraph 7.6 - Confidentiality.

8.23 Indemnification

Notwithstanding any provision of this Contract to the contrary, whether expressly or by implication, the Contractor shall indemnify, defend and hold harmless the

County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees. Without limiting the generality of this Section 8.23, Contractor's indemnity obligations under this Paragraph 8.23 cover, but are not limited to, the following particular categories found elsewhere in this Contract:

8.23.1 Confidentiality (7.6.2);

8.23.2 Compliance with Applicable Law (8.6.2);

8.23.3 Employment Eligibility Verification (8.17.2);

8.23.4 Fair Labor Standards (8.19);

8.23.5 Public Records Act Requests (8.36.2);

8.23.6 Subcontracting/Subcontrators (8.40.3); and

8.23.7 HIPAA (9.1.3)

8.24 General Provisions for All Insurance Coverage

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 **Evidence of Coverage and Notice to County**

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of

each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Angela Wu
1100 N Eastern Ave
Los Angeles, CA 90063
awu@isd.lacounty.gov

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.2 **Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 **Cancellation of or Changes in Insurance**

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice

shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 **Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.5 **Insurer Financial Ratings**

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.6 **Contractor's Insurance Shall Be Primary**

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 **Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 **Sub-Contractor Insurance Coverage Requirements**

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

8.24.9 **Deductibles and Self-Insured Retentions (SIRs)**

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 **Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 **Application of Excess Liability Coverage**

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 **Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 **Alternative Risk Financing Programs**

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 **County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 Insurance Coverage

8.25.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 **Professional Liability/Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

8.25.5 **[Intentionally Omitted]**

8.25.6 **Privacy/Network Security (Cyber)** liability coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs] (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems with limits of $2 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.26 Liquidated Damages

8.26.1 If, in the judgment of the Department Head or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head or designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the

Contractor by the Department Head or designee, in a written notice describing the reasons for said action.

8.26.2 If the Department Head or designee, determines that there are deficiencies in the performance of this Contract that the Department Head or designee, deems are correctable by the Contractor over a certain time span, the Department Head or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Department Head or designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars ($100) per day per infraction, hereunder, and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.26.3 The action noted in Sub-paragraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This sub-paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.28 Nondiscrimination and Affirmative Action

8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or

political affiliation, in compliance with all applicable Federal and State anti discrimination laws and regulations.

8.28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit C - Contractor's EEO Certification.

8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this sub-paragraph when so requested by the County.

8.28.7 If the County finds that any provisions of this sub-paragraph have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 Non Exclusivity

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.30 Notice of Delays

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 Notice of Disputes

The Contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Department Head or designee shall resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit H of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.34 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits C - County's Administration and D - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Department Head or designee shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 Prohibition against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become

an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.38 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 Publicity

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this sub-paragraph shall apply.

8.38 Record Retention and Inspection/Audit Settlement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract, including but not limited to, documents relating to eligibility of projects, property owners, home improvement contractors and assessments. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this sub-paragraph shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by

the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38.4 Contractor shall also retain records in compliance with all applicable Federal and State law and regulations, if applicable.

8.39 Recycled Bond Paper

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 Subcontracting

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.40.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.

8.40.6 The County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.40.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to:

Angela Wu
1100 N Eastern Ave
Los Angeles, CA 90063
awu@isd.lacounty.gov

before any Subcontractor employee may perform any work hereunder.

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to Sub-paragraph 8.43 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.42 [Intentionally Omitted]

8.43 Termination for Default

8.43.1 Either Party may, by written notice to the other, terminate the whole or any part of this Contract, if:

- A Party has materially breached this Contract; or
- A Party fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- A Party fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

8.43.4 The rights and remedies of the Parties, and each of them, as provided in this sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law, equity, and/or under this Contract.

8.44 Termination for Improper Consideration

8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor’s performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.45 Termination for Insolvency

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non Appropriation of Funds

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this

sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.51 - Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.53 Time Off For Voting

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Health Insurance Portability and Accountability Act Of 1996 ("HIPAA")

9.1.1 Contractor expressly acknowledges and agrees that the provision of services under this Contract does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records/patient information for any reason whatsoever.

9.1.2 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

9.1.3 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

9.2 Local Small Business Enterprise (SBE) Preference Program

9.2.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.2.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

9.2.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

9.2.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification,

and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

9.3 Ownership of Materials, Software and Copyright

9.3.1 Contractor warrants and represents, and as between the County and Contractor the County expressly acknowledges and agrees, that any and all computer software and all source code thereof, used or developed by Contractor ("Proprietary Software") in performing the services under this Contract is proprietary and Contractor, or its licensors, shall at all times exclusively own all rights, title, and interest in such software and Proprietary Software, including all intellectual property rights contained therein.

9.3.2 During the term of this Contract and for five (5) years thereafter, the Contractor shall maintain and provide security for all of the Contractor's PACE Program documents, including assessment contracts, prepared under this Contract. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

9.4 County Data

9.4.1 As between County and Contractor, County shall be the sole and exclusive owner of any and all information, data, plans, diagrams, reports and other documents and records entered or accessed or provided by County, its authorized users or Contractor ("County Data"), excluding any and all software, source codes, and/or directive works of the software, during provision of work and/or services under the Contract. Upon any expiration or termination of this Contract and for a period of five (5) years, and continuously throughout its term, Contractor, at its sole cost and expense, will make available to and otherwise provide County with a complete copy of the most recent back up of any County Data maintained by Contractor or on its behalf, in a

mutually agreed upon, commercially standard format that is compatible with County's then existing systems and will assist County in the transition of such County Data as reasonably requested by County. This Contract shall not be construed as granting any ownership rights in Contractor to any County Data or any other County Confidential Information. The County Data shall not be used by Contractor for any purpose other than as required under this Contract, nor shall the County Data or any part of the County Data be disclosed, sold, assigned, leased or otherwise disposed of to third parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, subcontractors or agents.

9.4.2 Notwithstanding anything to the contrary in this paragraph 9.3.2, the County acknowledges and agrees that the Contractor, and its financing partners, will have collected and compiled data and information under this Contract (the "Data Compilations") in connection with the services provided under this Contract and that such Data Compilations may be used by the Contractor and/or its financing partners for their own purposes, including, without limitation, sale or distribution of financial instruments to third parties; provided, however, that the Contractor will not, and shall ensure that its financing partners will not, sell or distribute any of the County's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis and does not disclose County Confidential Information.

9.5 Data Destruction

9.5.1 Contractor(s) and Vendor(s) that have maintained, processed, or stored the County of Los Angeles' ("County") data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*. Available at:

http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev 1

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or

workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Vendor shall provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

9.5.2 On County's written request or upon expiration or termination of this Contract for any reason, Contractor will promptly: (a) return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County's Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract; and (c) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials, and provide a notarized written statement to County certifying that all County Data has been delivered to County or destroyed, as requested by County.

9.5.3 Notwithstanding anything to the contrary in this paragraph 9.5, the County acknowledges and agrees that the Contractor, or its financing partners, may keep Data Compilations as well as all data which support any obligations Contractor enters into in connection with financing the Bonds.

9.6 Patent, Copyright and Trade Secret Indemnification

9.6.1 The Contractor shall indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. County shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

9.6.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:

- Procure for County all rights to continued use of the questioned equipment, part, or software product; or

- Replace the questioned equipment, part, or software product with a non-questioned item; or
- Modify the questioned equipment, part, or software so that it is free of claims.

9.6.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

9.7 Contractor's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete Exhibit I - Charitable Contributions Certification, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

9.8 Transitional Job Opportunities Preference Program

9.8.1 This Contract is subject to the provisions of the County's ordinance entitles Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.8.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.8.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.8.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

9.9 Disabled Veteran Business Enterprise Preference Program

9.9.1 This Contract is subject to the provisions of the County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.

9.9.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Disabled Veteran Business Enterprise.

9.9.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.

9.9.4 If Contractor has obtained certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and

fails to notify the state and ISD of this information prior to responding to a solicitation or accepting a contract award.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

RENOVATE AMERICA, INC.

By _____
Name

CEO
Title

ATTEST:

PATRICK OGAWA
Acting Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

MAR 03 2015

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

By _____
~~Principal~~ Deputy County Counsel

COUNTY OF LOS ANGELES

By _____
Mayor, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

783348

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13 MAR 03 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

APPENDIX A

CONTRACT EXHIBITS

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F Contractor Acknowledgement and Confidentiality Agreement

G Jury Service Ordinance

H Safely Surrendered Baby Law

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J May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution

K July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs

L May 6, 2014 Board Letter - Authorize the Auditor-Controller to place residential Property Assessed Clean Energy (PACE) assessments on County tax rolls and authorize the Internal Services Department and Treasurer Tax Collector to perform an evaluation of the steps needed to implement a residential PACE program, including the execution of a solicitation to select a PACE Program Administrator

M August 12, 2014 Board Letter - Residential Property Assessed Clean Energy (PACE) Program

EXHIBIT A: STATEMENT OF WORK

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1.0 SCOPE OF WORK

Contractor shall provide turnkey design, implementation, and administration services for County's Residential Property Assessed Clean Energy (PACE) Program Administration.

2.0 COUNTY RESPONSIBILITIES

The County's responsibilities are as follows:

2.1 Personnel

The County will administer the Contract according to Paragraph 6.0 - Administration of Contract – County of the base document. Specific duties will include:

2.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

2.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.

2.1.3 Preparing Amendments in accordance with *Sub-paragraph 8.1 – Amendments* of the base document.

2.1.4 Placing the approved PACE assessment on the property tax roll for the tax roll year immediately following the disbursement date.

2.1.5 Collecting property taxes and distributing PACE assessment payments.

2.1.6 Other responsibilities as mutually agreed upon by County and Contractor which may include, but are not limited to, bond issuance, marketing and outreach, contractor training. As to issuance of bonds, such shall be in a timely manner for all projects which have met PACE Program requirements, and shall include mutually agreed-upon bond documents accompanying each bond including but not limited to bond counsel opinion, supplemental opinion, and reliance letter.

3.0 CONTRACTOR RESPONSIBILITIES

The Contractor's responsibilities are as follows:

3.1 Program Manager

3.1.1 Contractor shall provide a full-time Program Manager or designated alternate. County must have access to the Program Manager during all regular business hours on all business days excluding holidays. Contractor shall provide a telephone number where the Program Manager may be reached during the times requiring access.

3.1.2 Program Manager shall act as a central point of contact with the County.

3.1.3 Program Manager shall have a minimum of have one (1) year experience within the last five (5) years managing programs of the size and complexity described within as determined by the County.

3.1.4 Program Manager shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract.

3.1.5 Program Manager shall be able to effectively communicate, in English, both orally and in writing.

3.2 Personnel

3.2.1 Contractor shall assign a sufficient number of employees to perform the required work.

3.2.2 Contractor shall be required to background check their employees as set forth in *Sub-paragraph 7.4 – Background & Security Investigations* of the base document.

3.3 Contractor's Office

3.3.1 Program Office

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts Contract and PACE Program administrative services at a minimum of five (5) days per week between the hours of 8:00 AM and 6:00 PM. The office shall be staffed by at least one employee who can respond to inquiries and complaints from County staff, which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. The Contractor shall answer calls received by the answering service within one (1) business day of receipt of the call.

Address:	Renovate America, Inc. 15073 Avenue of Science, Suite 200 San Diego, CA 92128
Program Call Center Number:	858-HERO-411
Program Fax Number:	858-815-6860
Program Email:	info@heroprogram.com
Contractor Email:	contractor@heroprogram.com

3.3.2 Field Office

Contractor shall maintain a field office within Los Angeles County in which PACE Program stakeholders, such as property owners and Participating Contractors, may visit to speak to PACE Program staff in person. The field office shall be approved by County prior to being deployed. The field office is an additional requirement to Sub-section 3.3.1.

3.4 Monthly Meetings

Contractor is required to attend a scheduled monthly meeting to discuss program status, progress, achievement of objectives, and other topics as identified by the County and the Contractor.

3.5 Monthly Reporting

Contractor shall provide County with monthly written reporting indicating status of key PACE Program metrics to be jointly determined by the Contractor and the County. Report for preceding month is due to the County no later than the 10th day of the current month.

4.0 FHFA MITIGATION

4.1 Description

Contractor shall establish and utilize a clear response plan indicating the actions Contractor will take if the FHFA decides to take action against the County or property owners as described in Contract, Exhibit B – RFP, Sub-paragraph 1.2 – Background. The response plan shall be subject to approval by County.

4.2 Activities

Activities shall, at a minimum, include:

4.2.1 Include a disclosure on the application to which all property owners must agree by signature prior to application submission. The disclosure shall address the August 31, 2010, Freddie Mac and Fannie Mae issued statements (the "Fannie/Freddie Rule") to sellers of mortgages or to servicers of mortgages held by Fannie/Freddie ("Seller/Servicers") to provide guidance on the purchase of mortgages by Fannie/Freddie secured by properties with a PACE obligation. The Fannie/Freddie Rule also individually provided:

a. Freddie Mac will not purchase mortgages secured by properties subject to PACE obligations that provide for a first lien priority. Seller/Servicers are responsible for monitoring state and local laws to determine whether a jurisdiction has a PACE program that provides for first lien priority.

b. Fannie Mae will not purchase mortgage loans secured by properties with an outstanding PACE obligation unless the terms of the PACE program do not permit priority over first mortgage liens. Lenders are responsible for monitoring state and local law to determine whether a jurisdiction has a PACE program that provides for lien priority.

There are three points that must be disclosed to a property owner by Contractor. The first is the Fannie/Freddie Rule identified above. The second is to make the property owner aware that they should review their existing mortgage documents, which may or may not be a conforming loan that has been acquired or would be eligible to be acquired by Fannie or Freddie. The third is to disclose that existing mortgages may have prohibitions against entering into senior liens on the property.

4.2.2 Subject to the County's approval, enroll in or maintain enrollment in the CAEATFA (California Alternative Energy and Advanced Transportation

Financing Authority) Loss Reserve Program or such similar mortgage loss reserve as described in Section 7.3.2.7.

4.2.3 To the extent that there are any additional rules by Fannie/ Freddie, the FHFA, the banks or any other significant authority, the Contractor will evaluate such measures and make any and all necessary recommendations to avoid adverse consequences to either property owner participants or communities participating in the Program.

4.2.4 Provide the County with indemnification provisions with respect to all future FHFA action.

4.2.5 Allow all participating property owners the right to pay off their assessment lien in part or in full.

4.2.6 The County reserves the right to actively participate and approve decisions related to the actions and tasks described herein and to any future actions by Fannie/ Freddie, the FHFA, the banks or any other significant authority.

5.0 CONSUMER PROTECTION MEASURES

5.1 Description

Contractor shall ensure best in class protections for property owners from actions such as, including but not limited to, predatory lending, unscrupulous contractors and poor quality assessment servicing.

5.2 Activities

Activities shall, at a minimum, include:

5.2.1 Implement a multi-faceted approach to consumer protection and integrate it into training modules including: brand usage guidelines, marketing activity policies, advertising policies, sales and training protocol, and collateral.

5.2.2 Provide product eligibility verification by maintaining a database verifying that all products installed meet the US Department of Energy guidelines.

5.2.3 Perform a fair pricing assessment on projects if they fall outside a range of acceptability.

5.2.4 Provide special protection for seniors over 65 years of age to confirm they clearly understand the terms of the financing.

5.2.5 Provide assistance in multiple languages, other than and in addition to English, to ensure consumers understand the terms of their financing in their native language.

5.2.6 Enforce all policies and procedures for compliance.

5.2.7 Provide a dispute resolution team to assist consumers with issues.

5.2.8 Prior to Program Launch, create a *Consumer Protection Measures Plan,* included as part of the Operations Manual, and provide to the County for comment and approval.

6.0 PROPERTY OWNER AND PROJECT ELIGIBILITY REQUIREMENTS

6.1 Establish Requirements

6.1.1 Description

Contractor shall establish property owner and project eligibility requirements and QA/QC parameters by referencing the LACEP Program Report, Section II - Program Requirements, which outlines the minimum eligibility requirements for property owners, their properties and projects as originally contemplated when the PACE Program was approved by the Board. Contractor shall implement and enforce established requirements and verify eligibility with QA/QC parameters, which must be approved by County.

6.1.2 Activities

Activities shall, at a minimum, include:

6.1.2.1 Prior to implementation, identify property, project and owner eligibility requirements within the LACEP Program Report to which the Contractor would like to propose changes. Submit changes to the County for comment approval.

6.1.2.2 Create a Program Handbook to be made available to stakeholders and update it on a regular basis. See section 7.1.2.2 for additional information.

6.1.2.3 Prior to implementation, deliver a *QA/QC Protocol*, included as part of the Operations Manual, for verifying property, project and owner eligibility criteria.

6.1.2.4 Actively encourage and market the usefulness and benefits for residential energy and water audits. Allow the cost of the audit to be eligible for financing.

6.2 Water Conservation

6.2.1 Description

PACE Program shall include features to increase the adoption rate of water conservation measures.

6.2.2 Activities

Activities shall, at a minimum, include:

6.2.2.1 Actively analyze additional and/or new water technologies for inclusion in the eligible measures list.

6.2.2.2 Educate Participating Contractors regarding water conservation measures and help them build a referral system of reputable installers.

6.2.2.3 Use marketing channels, press events and collateral to increase consumer awareness of water efficiency upgrades.

6.2.2.4 Coordinate with local outreach and awareness efforts, including LA County Water Authority, LADWP and

Metropolitan Water District.

6.3 Revising and/or Retiring Requirements

6.3.1 Description

Contractor shall establish and implement a method by which eligibility requirements may be revised, retired or added to the PACE Program.

6.3.2 Activities

Activities shall, at a minimum, include:

6.3.2.1 Maintain a database of eligible energy efficient, water efficient and renewable energy product types and models. Update financing terms (ie. product useful life), product specifications and new product classes according to California Building Energy Efficient Standards and where applicable, with respect to California Building Climate Zones.

6.3.2.2 Create a copy of the *Qualified Improvement Procedure* document, included as part of the Operations Manual, that describes a method by which product eligibility requirements may be revised, retired or added to the Program.

6.3.2.3 All suggested revisions to property owner or underwriting criteria shall be pre-approved by the County prior to Implementation.

7.0 PACE PROGRAM ADMINISTRATIVE SERVICES

Contractor shall establish, implement and enforce the procedures and process for the application, verification, bond issuance, funding, and repayment of a PACE assessment which must be approved by the County.

7.1 Application Processing and Project Completion

7.1.1 Description

Contractor shall manage the process for property owner applications for PACE funding, confirmation of underwriting criteria, disbursement of funding, document execution and processing, confirming completion of work, assessing construction quality and placement of the assessment on the tax roll.

7.1.2 Activities

Activities shall, at a minimum, include:

7.1.2.1 Application processing, project completion and funding shall follow the following general process and timeline illustrated in Attachment A: Financing Process.

7.1.2.2 Contractor shall create the following:

a. **PACE Program Handbook**, similar to the LA County Commercial PACE Program Handbook, to be made available to stakeholders and update it on a regular basis. The Program Handbook must, at a minimum,

describe:

- Any variations from requirements outlined in the Program Report
- Property, project and owner eligibility criteria
- Program requirements
- Finance standards, program fees, assessment terms and interest rate
- Program processes
- Dispute Resolution

b. **Operations Manual** as described in more detail in Section 13.2.3.

7.1.2.3 Contractor shall have a data system for generating, processing, and archiving all documentation related to the entire workflow from application submittal through funding. It shall ensure policy compliance, workflow efficiency and procedures and data archiving and reporting. It shall include the following features:

a. Provide user-based access to information and functionality

b. Access to all Program Services and Production Team members to complete tasks and/or document file notes

c. User activity logging for every change, note and action

d. Ability to look-up, add and edit eligible products

e. Document generation that ensures a property owner's financing documents include accurate and policy-compliant terms and disclosures.

f. Critical milestone and expiration date tracking on all files

g. Electronic document workflows for eSignature.

7.1.2.4 Contractor shall transfer all County cities already opted into the WRCOG HERO Program to the County PACE Program upon Program Launch under this Contract. During Contract term and subsequent to Program Launch, all of Contractor's PACE activities in Los Angeles County shall be exclusively through the County's PACE Program under this Contract.

7.1.2.5 Contractor shall report monthly energy savings and program metrics.

7.2 Financing, Assessment, Bond Issuance and Funding

7.2.1 Description

Contractor shall establish procedures for financing, assessments, bond

issuance and funding. Contractor shall implement and enforce established procedures, which must be approved by County.

7.2.2 Activities

Activities shall, at a minimum, include:

7.2.2.1 Contractor shall set interest rates, fees, and terms as approved by County and re-negotiated periodically. Contractor shall ensure that such interest rates, fees, and a summary of terms shall be made available to property owners through the PACE Program website.

7.2.2.2 The costs identified by the borrower can be paid by the borrower or financed.

7.2.2.3 Property owners may choose to pay off their assessment amount at any time in full or in part in any amount of at least $2500, or a lower amount as permissible by law.

7.2.2.4 Contractor shall record the assessment and place and/or record the lien against the property following the process indicated in Attachment C: Lien Recordation.

7.2.2.5 Contractor shall certify the completion of a project by requiring a signed Completion Certificate, final invoice and, if applicable, the final buildingpermit prior to payment for products or services.

7.2.2.6 Contractor shall create, utilize and maintain Program documents and forms. Any proposed changes to Program documents will be proposed in advance by Contractor and subject to review and approval by County. Program Documents include, but are not limited to those listed in Attachment D: Program Documents.

7.2.2.7 Contractor shall reimburse County for all costs borne by the County to administer the Contract and to support the PACE Program up to one percent (1%) of the par amount of the PACE Program assessment bonds issued. Without limiting the generality of the foregoing, the County will not submit an invoice to the Contractor until six (6) months after PACE Program Launch to the public, County costs may include, but are not limited to, collecting and distributing the assessment, annual administrative costs incurred by the County, training of contractors, outreach to stakeholders and coordination with other energy programs administered by the County. County staff time is subject to full reimbursement by Contractor.

7.2.2.8 Contractor shall supply access to capital utilizing a primary path and a secondary path:

a. <u>Primary Financing Path</u>: Contractor will purchase

bonds, through means at its discretion, including its cash on hand, its credit facility, or otherwise. As part of the securitization process the Contractor may complete an audit of systems and the files associated with applicant. All costs related to a securitization will be paid by Contractor.

b. Secondary Financing Path: Access "whole loan" buyers who are accredited investors and willing to purchase the unrated bonds and hold them to maturity, and are obligated to sign an investment letter.

7.2.2.9 Prior to any public sale of a securitization product, the County shall be allowed access to pricing materials, including transaction costs and secondary market trading activity, as well as bond documents for informational purposes only.

7.3 Financing Repayment

7.3.1 Description

Contractor shall manage the repayment process, keep track of the remaining PACE assessment amount and term, refund excessive or erroneous assessments, and manage delinquent payments and foreclosures subsequent to placing the PACE assessment on the tax roll.

7.3.2 Activities

Activities shall, at a minimum, include:

7.3.2.1 Contractor shall utilize software to generate the assessment contract and bond documents, verify electronic payment, generate recording documents and track completed steps.

7.3.2.2 Contractor shall track the remaining PACE assessment amounts and terms using a third-party assessment administrator approved by the County and retained by the Contractor. Payment amounts or outstanding payments amounts shall be shared with the County.

7.3.2.3 Contractor, or its approved agent, shall work with the County to facilitate the placement of PACE assessments on the property tax roll.

7.3.2.4 Contractor, or its approved agent, shall manage all early payoffs of PACE assessments.

7.3.2.5 Contractor, or its approved agent, shall manage the debt service payment process to bond holders. County has the right to advance approval of any paying agent or trustee to be assigned to the Program.

7.3.2.6 Contractor, or its approved agent, shall be proactive in the management of delinquent property tax payments and track delinquency promptly but no later than monthly. Monthly status reports shall be sent to the County that include detailed status on an assessment level, including APN, amount levied, amount paid, total delinquency. Upon payment of delinquent amounts, the assessment administrator provides reports that detail the amount collected with late fees and default interest reported separately.

7.3.2.7 The PACE Program shall have (2) loss reserves:

a. Bond Reserve: This loss reserve is utilized to make advances to bondholders if a property owner is delinquent. It is a shared reserve across each Master Indenture. The loss reserve will be funded by PACE Program participants and held by a trustee approved by the County.

b. Mortgage Loss Reserve: This reserve is set up to advance funds to a mortgage entity that may have to pay delinquent taxes and will cost property owners additional costs. Contractor will work with the County to ensure that the PACE Program rules and requirements meet the restrictions imposed by participating in the CAEATFA PACE Loss Reserve or such similar mortgage loss reserve or insurance program as approved by the County.

8.0 MARKETING AND OUTREACH

8.1 Description

Contractor shall establish, implement, and enforce a marketing, outreach and PR program, and represent the PACE Program by participating in meetings and presentations. The marketing and outreach program shall be approved by County prior to being implemented.

8.2 Activities

Activities shall, at a minimum, include:

8.2.1 Contractor shall identify potential local stakeholder organization and companies and work to develop partnerships to help with marketing and education efforts in the region. Partnership efforts will be made with the following groups: local Participating Contractors, manufacturers and distributers, real estate organizers and civic organization.

8.2.2 Prior to implementation, Contractor will provide a draft *Marketing and PR Plan*, included as part of the Operations Manual, that is custom to

the County. It will include best practices from other markets but be custom to the demographics and local press and events for the LA County region.

8.2.3 Contractor shall create and update marketing collateral, informational materials, website, systems software, etc. necessary to market the PACE Program to targeted stakeholders while working with the County to receive appropriate approvals and integrate County comments and requests.

8.2.4 Contractor shall create and maintain a website that includes the following:

8.2.4.1 An experience that is intuitive, simple and easy to use, and inspires trust and confidence in the PACE Program

8.2.4.2 Comprehensive eligible energy, water and renewable energy product information, rebates and look-up capacity

8.2.4.3 Provide video and written testimonials

8.2.4.4 Help property owners evaluate which energy investments make sense for them and which Participating Contractors are properly licensed to do the work

8.2.4.5 Facilitate communication between property owners and staff, Participating Contractors, and other relevant providers through specialty web pages with email capability, and administrator functions

8.2.4.6 Provide an online application so that property owners may go to the website, enter their information and be pre-approved (or denied) in the same day.

8.2.4.7 Allow Participating Contractors who also complete the Program training to create a business listing on the Program website, including a short self-generated description of their business and specialties, that property owners may review when searching for a Participating Contractor

8.2.4.8 Create County and Participating Contractor portals that allow secure access to data, metrics and project status as needed by the respective parties.

a. Contractor shall create and maintain a custom-designed web portal specifically for Participating Contractors. It will contain resources for contractors and a protected area that will provide them with real-time data specific to their needs and projects

b. Contractor shall develop a County Portal on the PACE Program website as described in section 8.2.4.8 and give access to the County. The portal shall provide real-time program reporting on a number of key project metrics including, but not limited to:

- Number of applications
- Number of applications approved
- Dollar amount of applications
- Number of funded projects
- Dollar amount of funded projects
- Number of projects by industry: solar, energy efficiency, water efficiency
- Number of contractors by industry
- Identification of local contractors
- Jobs Created
- Energy Reductions
- GHG Reductions
- Economic Stimulus

8.2.4.9 Website shall connect with or have a landing page on www.lapace.org.

9.0 PARTICIPATING CONTRACTOR MANAGEMENT

9.1 Description

Contractor shall recruit, enroll, train, manage, and maintain a pool of qualified Participating Contractors sufficient to meet Program demand and enforce QA/QC parameters governing their eligibility and continued PACE Program participation.

9.2 Activities

Activities shall, at a minimum, include:

9.2.1 Contractor shall establish qualifications and QA/QC parameters, including penalties for failures up to and including disqualification from the PACE Program to manage Participating Contractors. These shall be described in a *Contractor Management Plan*, included as part of the Operations Manual.

9.2.2 Contractor shall manage the Participating Contractors' registration and training using the following general format outlined in Attachment E: Participating Contractor Approval.

9.2.3 Contractor shall verify active license status of all Participating Contractors via the California State Licensing Board.

9.2.4 Contractor shall require all Participating Contractors to register with the Program, agree to the terms and conditions and complete training prior to proceeding with their first customer.

9.2.5 Contractor shall verify the good standing of its Participating Contractors on a regular and timely basis and suspend those in violation of the requirements.

9.2.6 Contractor shall create a training program for Participating Contractors to meet both initial and ongoing training requirements and, to the

extent possible, leverage existing documents, training guides and program guides.

9.2.7 Contractor shall create and maintain a custom-designed web portal specifically for Participating Contractors as described in section 8.2.4.8.

9.2.8 Contractor shall ensure that the Participating Contractor base supply meets the PACE Program demand.

10.0 CUSTOMER SERVICE & SATISFACTION

10.1 Description

Contractor must assure quality customer service to PACE Program stakeholders, such as property owners and Participating Contractors. Contractor shall implement and enforce established procedures, which must be approved by County.

10.2 Activities

Activities shall, at a minimum, include:

10.2.1 Contractor shall establish a Customer Service Plan, included as part of the Operations Manual, using standard escalation management procedures. The Plan shall outline procedures and timelines for resolving complaints and concerns throughout the following stages: (1) Intake – Report of Incident, (2) Triage of Incident, (3)Investigate Incident, (4) Agree on Action, (5) Chief Compliance Officer Review Recommendations, (6) Implement Resolution Measure, (7) Closure and Tracking. It will address the point in the complaint process at which the County is notified.

10.2.2 Contractor shall respond to complaints within one business day.

10.2.3 Contractor shall maintain a toll free number operated by a live person during business hours.

10.2.4 Contractor shall track customer service metrics on multiple service level commitments and provide the County with monthly written updates.

10.2.5 Contractor shall provide an experienced and qualified customer service staff to adequately address issues in a timely manner.

11.0 COORDINATION WITH COUNTY ENERGY PROGRAMS

To perform the work herein, Contractor shall leverage marketing efforts and coordinate with other energy programs administered by the County including Green LA County, The Energy Network, Los Angeles County Commercial PACE Program and Energy Upgrade California – LA County.

12.0 OUTGOING TRANSITION PLAN

12.1 Contractor shall develop and provide an outgoing Transition Plan to ensure a smooth transition with County or County's selected contractor upon expiration or

termination of this Contract.

12.2 Upon County's advance written approval of the Transition Plan in Sections 12.1 and 12.3, Contractor shall implement the outgoing Transition Plan within sixty (60) Days, or such time as is necessary, at County's discretion,, prior to the expiration or termination of this Contract.

12.3 Without limiting the generality of the foregoing, the Transition Plan shall include an identification of: (1) applications submitted and approved, (2) signed assessment agreements, (3) projects completed but not yet funded through bond issuance, (4) payment history for all assessment contracts, and (5) access to all account statements produced by the paying agent and/or trustee since program inception.

13.0 PACE PROGRAM QUALITY ASSURANCE/QUALITY CONTROL (QA/QC)

13.1 Description

Contractor must assure best in class quality and control processes are in place and enforced to evaluate the effectiveness of the PACE Program and maintain quality control of eligibility requirements, contractors and projects. This section does not preclude County's right to terminate the Contract, in accordance with Contract, Paragraph 8.0 - Standard Terms and Conditions, Sub-paragraph 8.43 - Termination for Default.

13.2 Activities

Activities shall, at a minimum, include:

13.2.1 Contractor shall develop a County Portal on the PACE Program website as described in section 8.2.4.8.

13.2.2 Contractor shall perform on-site validations on a spot-check basis to ensure eligible product installation.

13.2.3 Contractor shall create an Operations Manual that includes internal procedures, processes, policies, best practices, form agreements and other documents that support the implementation, and administration of the PACE Program. It shall be approved by the County prior to implementation. The Operations Manual shall include at a minimum, but is not limited to, the following items:

13.2.3.1 *Consumer Protection Measures Plan* addressing the requirements of Section 5.2.

13.2.3.2 *Qualified Improvement Procedure* document addressing the requirements of Section 6.3.

13.2.3.3 *Marketing and PR Plan* addressing the requirements of Section 8.2.

13.2.3.4 *Contractor Management Plan* addressing the requirements of Section 9.2.

13.2.3.5 *Customer Service Plan* addressing the requirements of

Section 10.2.

13.2.3.6 It shall include a list of all metrics that will be tracked during the Program term. Metrics shall be reportable on a County level or by individual cities within the County.

13.2.3.7 Contractor shall establish and utilize a comprehensive PACE Program *QA/QC Plan* to assure the County a consistent high level of service throughout the term of the contract. It shall include QA/QC processes, policies and best practices for all other program components including, but not limited to:

a. Program Services (Call Center) – Fully trained, in house staff that can assist contractors and consumers with the PACE process. All calls, emails, and online chats shall be recorded. Contractor shall use procedures to monitor call center performance and provide mechanisms for feedback on agents from calls.

b. Production – Fully trained in house team that supports every step of the underwriting, document, and funding processes. All actions shall be tracked and managed through secure residential PACE software platform and use QC audit procedures to ensure all originations meet detailed requirements and SLA's.

c. Closing and Funding – When closing documentation is received, it must be approved and reviewed to ensure all closing conditions have been met, including the submittal of Final Building Permits, if applicable.

d. Marketing –The Program marketing team shall approve all marketing plans and ads that fall outside of Participating Contractors -stated guidelines. Review and approval services shall be available to all Participating Contractors.

e. Internal Training – Provide detailed, specific service level agreement and process requirements for all Program roles and departments ensuring that all guidelines are adhered and all training is consistent and continuous.

f. Compliance Team –The compliance team shall provide assistance to resolve any disputes between Participating Contractors and consumers.

g. Municipal Development / Account Management – Provide participating cities with dedicated account support and educate social service agencies and law enforcement agencies involved in consumer

protection so that they know and understand how the program works.

h. Bond Issuance Process – Develop a methodical, streamlined approach to ensure all bond issuance requirements are met including review by bond counsel, approval, and signature on all applicable bond documents. As part of the bond issuance process, the Contractor shall generate a Data File that includes all calculations included in the bond documents and processes it through a multi-person workflow for review and approval.

i. Program Impact Reporting – Provide an unbiased validation of actual and projected energy savings and economic impact achieved through Program implementation.

j. Data Verification – All data is used to create customer amortization and payment schedules must be reviewed by Program staff, third-party assessment administrator, and Bond Counsel prior to issuance of bonds. Any change to software that accesses this data must be subjected to rigorous QA/QC testing before software changes are implemented.

k. Delinquent Payments – Prepare reports at each tax payment date that detail delinquent payments. At the same time, send reminder notices to Property Owners followed by letters and inquiries if payment is not made by June 30th of a given tax year.

13.2.4 Contractor will provide a monthly Officer's Certificate stating compliance with all governing documents.

13.2.5 Contractor shall develop, implement and manage all resources, systems software, applications, models, templates and/or reporting mechanisms to track progress of the PACE Program, archive data and provide information in support of the PACE Program tasks, QA/QC and County requests.

13.2.6 The County will evaluate the Contractor's performance under this Contract using the Contract Compliance assurance procedures as defined in Contract, Sub-paragraph 8.15 - County's Contract Compliance Assurance Plan. When Contractor's performance does not conform to the requirements of this Contract, County will have the option to apply the following non-performance remedies:

13.2.6.1 Require Contractor to implement a formal corrective action plan, subject to approval by County. In the plan, Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level,

and monitoring methods to prevent recurrence.

13.2.6.2 Reduce, suspend or cancel this Contract for systematic problems, deliberate misrepresentations or unacceptable levels of performance.

13.2.6.3 Failure of Contractor to comply with, or satisfy the request(s) for improvement of performance, or to perform the neglected work specified within ten (10) business days, shall constitute authorization for County to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of Contractor's failure to perform said service(s), as determined by County, shall be credited to County on Contractor's future invoice(s).

Attachment A: Financing Process

FINANCING PROCESS	
1. Apply	Residential applications can be completed and approved within 1 minute through HERO's automated application approval system. Property owners can submit applications over the phone, online, or by hard copy. As part of the application, the applicant agrees to the Program rules and authorizes Renovate America to verify applicant's declarations, including authorizing the pulling of a credit report.
2. Approve Products	Once the application has been approved, the product needs to be approved. Registered contractors will provide the manufacturer name, model number or other identifying details in order to obtain approval of each product. The Program utilizes Renovate America's Eligible Product database of over 900,000 eligible product models to "drill down" to the correct model or other specific identifier provided by the contractor. The contractor will receive verbal confirmation over the phone that the product is eligible and the product will be included in the property owner's Financing Documents.
3. Financing Documents	Financing Documents (Assessment Contract, Right to Cancel Notice, Application, and Financing Summary) are generated and are available for property owner signature. Each assessment contract must be signed by all persons or entities that have a recorded ownership interest in the participating property. Option to Sign Electronically: As a technology-driven company and the industry leader in energy-efficiency financing, we are constantly looking for ways to improve our processes and reduce our carbon footprint. We now provide homeowners the option to sign financing documents electronically, using "eSign." This significantly reduces paper use, eliminates emissions associated with traveling to deliver financing documents and protects against forgery and identity theft. Our contractors have overwhelmingly adapted to using eSign. Now, 96% of all HERO Financing documents are submitted electronically.
4-5. Install Products and Submit Completion Certificate	Once the signed Financing Documents have been received, installation of the approved eligible product(s) by a registered contractor can begin. Once installation is complete, including all required permits and inspections, the property owner and contractor sign and return the Completion Certificate to the Program.
6-7. Funding	After funding is approved, HERO processes payment to the contractor and/or property owner payee within 2 business days. As a parallel process, the assessment is included in a bond issuance. Please see section E.2.j for more information on the bond issuance process.

Attachment B: Expected Program Fees, Terms and Rates

TERM	INTEREST RATE	APR
5	3.99%	6.12%
10	5.99%	7.47%
15	7.95%	9.15%
20	8.25%	9.23%

Note: Rates are based on current market conditions and are subject to change at any time.

The APR assumes the following costs which are financed by the borrower:

- 4.60% Program Fees
- 0.15% Reserve for delinquent payments
- 0.25% CAEATFA Reserve
- $35 per year for the County of Los Angeles and to administer the annual payments due (Trustee and DTA).
- $75 one-time fee to record the documents with the County of Los Angeles (estimate)

Attachment C: Lien Recordation

Attachment D: Program Documents

Document Name	Document Type	County Approval Required
Program Implementation Plan	Program Design	
Program Operations Manual	Program Design	
Program Report	District Formation	
Program Handbook	Reference Document	
Eligible Product List	Reference Document	
Contractor Reference Materials	Reference Document	
Terms of Use	Reference Document	
Privacy Policy	Reference Document	
Notice of Assessment	Recorded Document	
Payment of Contractual Assessment Required	Recorded Document	
Instruction to Trustee	Bond Document	
Investor's Letter	Bond Document	
Officer's Certificate	Bond Document	
Receipt for Bonds Proceed	Bond Document	
Receipt for Bonds	Bond Document	
Supplemental Indenture	Bond Document	
Improvement Bond	Bond Document	
Certificate of Trustee	Bond Document	
Bond Counsel Opinion	Bond Document	
Reliance Letter	Bond Document	
Supplemental Opinion	Bond Document	
Officer's Requisition for Disbursement	Bond Document	
Requisition for Payments of COI	Bond Document	
Requisition for Payment of Program Fund Proceeds	Bond Document	
Program Application	Financing Document	
Product Application	Financing Document	
Assessment Contract	Financing Document	
Financing Summary	Financing Document	
Right to Cancel	Financing Document	
Multi-Contractor Agreement	Financing Document	
Self-Install Agreement	Financing Document	
3rd Party Payment Designee Form	Financing Document	
Completion Certificate	Financing Document	
Self-Install Completion Certificate	Financing Document	
Contractor Participation Agreement	Contractor Registration	
Contractor W9	Contractor Registration	
Final Payment Summary	Reference Document	
Financing Docs Attached	Communication	
Notice to Proceed	Communication	
Application Approved	Communication	
Application Conditionally Approved	Communication	
Application in Review	Communication	
Application Denied	Communication	
Agency Information Sheet	Communication	
Agreement for Billing Direct Assessments	Communication	
Written Authority to Levy Assessments	Communication	

Attachment E: Participating Contractor Approval

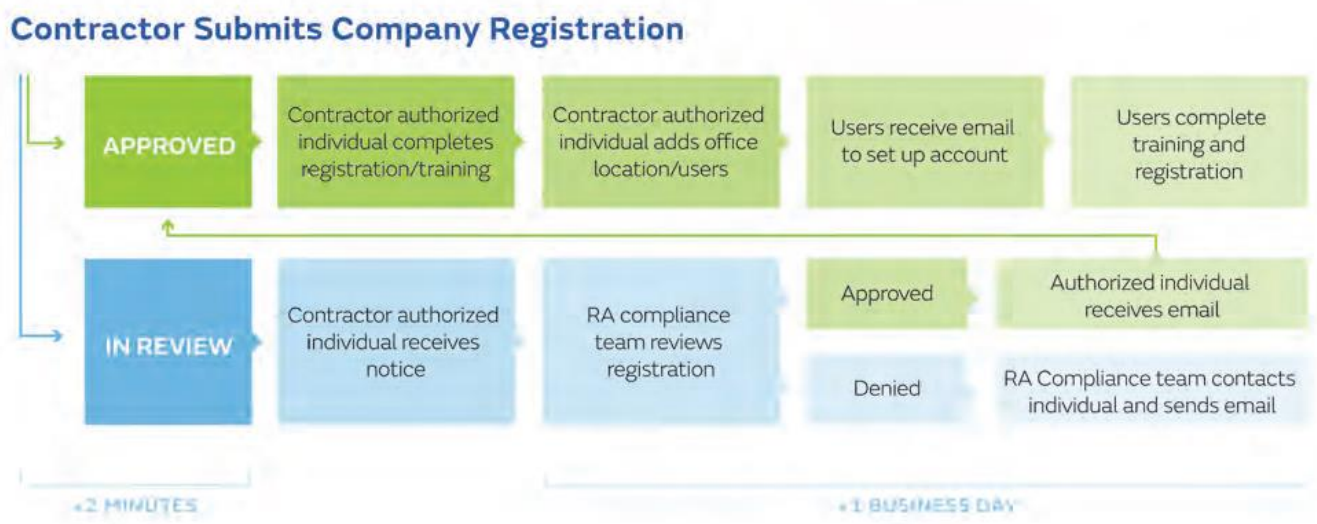

EXHIBIT C: CONTRACTOR'S EEO CERTIFICATION

Renovate America
Contractor Name

15073 Avenue of Science, San Diego, CA 92128
Address

26-4104352
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS	YES	NO
1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	☒	☐
2. The Contractor periodically conducts a self analysis or utilization analysis of its work force.	☒	☐
3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	☒	☐
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.	☒	☐

JOHN PAUL McNEILL CEO
Authorized Official's Printed Name and Title

Authorized Official's Signature

1/12/15
Date

EXHIBIT D: COUNTY'S ADMINISTRATION

Updated: January 2015

COUNTY'S PROJECT DIRECTOR

Name:	Yolanda Young
Title:	Contracting Division Manager
Address:	1100 N Eastern Ave
	Los Angeles, CA 90063
Telephone:	(323) 267-3101
E-mail:	yyoung@isd.lacounty.gov

COUNTY'S PROJECT MANAGER

Name:	Howard Choy
Title:	General Manager - Office of Sustainability
Address:	1100 N Eastern Ave
	Los Angeles, CA 90063
Telephone:	(323) 267-2006
E-mail:	hchoy@isd.lacounty.gov

EXHIBIT E: CONTRACTOR'S ADMINISTRATION

Renovate America
CONTRACTOR'S NAME

Contract No. _____
Updated: January 2014

CONTRACTOR'S PROGRAM DIRECTOR

Name:	John Paul (JP) McNeil
Title:	Chief Executive Officer
Address:	15073 Avenue of Science
	San Diego, CA 92128
Telephone:	(858) 605-0501
E-mail:	jpmcneill@renovateamerica.com

CONTRACTOR'S PROGRAM MANAGER

Name:	Blair McNeill
Title:	Vice President of Community Development
Address:	15073 Avenue of Science
	San Diego, CA 92128
Telephone:	(858) 605-9430
E-mail:	bmcneill@renovateamerica.com

CONTRACTOR'S AUTHORIZED OFFICIAL

Name:	John Paul (JP) McNeil
Title:	Chief Executive Officer
Address:	15073 Avenue of Science
	San Diego, CA 92128
Telephone:	(858) 605-0501
E-mail:	jpmcneill@renovateamerica.com

NOTICES TO CONTRACTOR SHALL BE SENT TO THE FOLLOWING ADDRESS

Name:	John Paul (JP) McNeil
Title:	Chief Executive Officer
Address:	15073 Avenue of Science
	San Diego, CA 92128
E-mail:	jpmcneill@renovateamerica.com

EXHIBIT F: CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Purchase Order. Work cannot begin on the Purchase Order until County receives this executed document.)

Contractor Name RENOVATE AMERICA

Contract No. _____

GENERAL INFORMATION:
The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:
Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:
Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: 1 / 12 / 15

PRINTED NAME: JOHN PAUL McNEILL

POSITION: CEO

EXHIBIT G: JURY SERVICE ORDINANCE

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

   1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

   2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

   3. A purchase made through a state or federal contract; or

   4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

   5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

   6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

   7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

   8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

EXHIBIT G: JURY SERVICE ORDINANCE

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

EXHIBIT H: SAFELY SURRENDERED BABY LAW

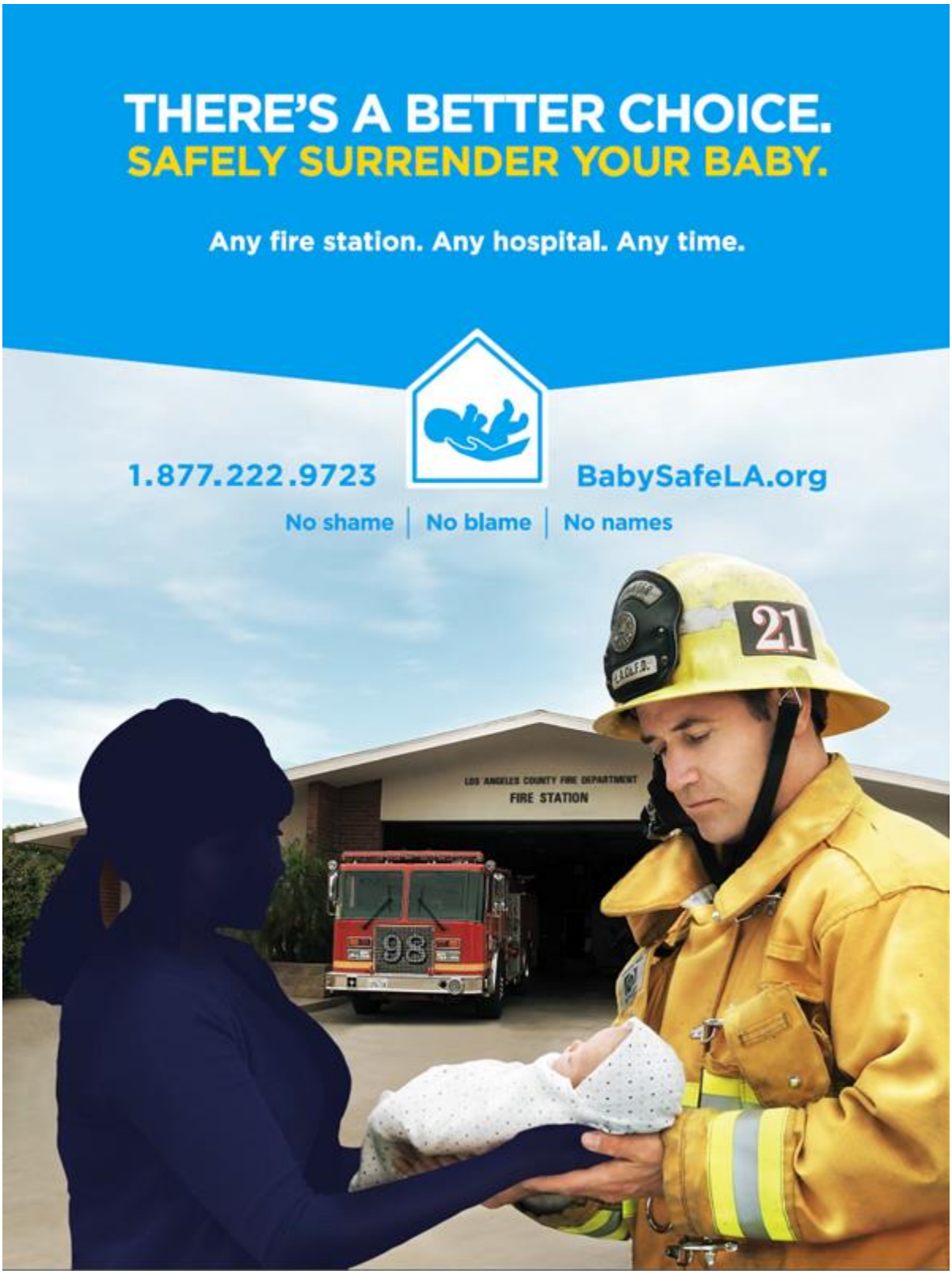

EXHIBIT H: SAFELY SURRENDERED BABY LAW

EXHIBIT I: CHARITABLE CONTRIBUTIONS CERTIFICATION

Renovate America
Company Name

15073 Avenue of Science, San Diego, CA 92128
Address

26-4104352
Internal Revenue Service Employer Identification Number

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

Signature

1/12/15
Date

JOHN PAUL MCNEILL CEO
Name and Title of Signer (please print)

78349

CONTRACT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
RENEWABLE FUNDING LLC
FOR
RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM ADMINISTRATION

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STANDARD EXHIBITS

A Statement of Work (Not Attached to Sample)

B Request for Proposals for Residential Property Assessed Clean Energy (PACE) Program Administration #104464 (Not Attached)

C Contractor's EEO Certification

D County's Administration

E Contractor's Administration

F Contractor Acknowledgement and Confidentiality Agreement

G Jury Service Ordinance

H Safely Surrendered Baby Law

I Charitable Contributions Certification

PACE PROGRAM EXHIBITS

J May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution

K July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs

L May 6, 2014 Board Letter - Authorize the Auditor-Controller to place residential Property Assessed Clean Energy (PACE) assessments on County tax rolls and authorize the Internal Services Department and Treasurer Tax Collector to perform an evaluation of the steps needed to implement a residential PACE program, including the execution of a solicitation to select a PACE Program Administrator

M August 12, 2014 Board Letter - Residential Property Assessed Clean Energy (PACE) Program

CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
RENEWABLE FUNDING LLC
FOR
RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM ADMINISTRATION

This Contract is made and entered into as of the Effective Date by and between the County of Los Angeles, hereinafter referred to as County and Renewable Funding LLC, a California limited liability company, hereinafter referred to as Contractor.

RECITALS

WHEREAS, the County may contract with private businesses for Residential Property Assessed Clean Energy (PACE) Program Administration when certain requirements are met; and

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WHEREAS, the Contractor is a private firm specializing in providing Residential Property Assessed Clean Energy (PACE) Program Administration; and

WHEREAS, this Contract is therefore authorized under California Government Code Section 31000, which authorizes the Board of Supervisors to contract for special services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

This base document, together with Exhibits A, B, C, D, E, F, G, H, I, J, K, L, and M attached hereto and incorporated by this reference collectively form, and are referenced throughout and hereinafter as the "Contract." Any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the Base Document and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Base Document and Exhibit A (SOW), which are to be read together as a unified whole, and then to the Exhibits according to the following priority:

1.1 Base Document

Exhibit A - Statement of Work (SOW)

1.2 Exhibit B - Request for Proposals for Residential Property Assessed Clean Energy (PACE) Program Administration #104464 (RFP)

1.3 Exhibit C - Contractor's EEO Certification

1.4 Exhibit D - County's Administration

1.5 Exhibit E - Contractor's Administration

1.6 Exhibit F - Contractor Acknowledgement and Confidentiality Agreement

1.7 Exhibit G - Jury Service Ordinance

1.8 Exhibit H - Safely Surrendered Baby Law

1.9 Exhibit I - Charitable Contributions Certification

1.10 Exhibit J - May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution

1.11 Exhibit K - July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs

1.12 Exhibit L - May 6, 2014 Board Letter - Authorize the Auditor-Controller to place residential Property Assessed Clean Energy (PACE) assessments on County tax rolls and authorize the Internal Services Department and Treasurer Tax Collector to perform an evaluation of the steps needed to implement a residential PACE program, including the execution of a solicitation to select a PACE Program Administrator

1.13 Exhibit M - August 12, 2014 Board Letter - Residential Property Assessed Clean Energy (PACE) Program

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, whether written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.1 - Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

2.1 **American Recovery and Reinvestment Act of 2009 (ARRA)**: Commonly referred to as the Stimulus or The Recovery Act. ARRA was an economic stimulus package enacted by the 111th United States Congress in February 2009, and signed into law on February 17, 2009, by President Obama.

2.2 **California PACE Loss Reserve Fund:** Authorized by Senate Bill 96 (2013), it is designed to address FHFA's financial concerns by making first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE loan. If a mortgage lender forecloses on a home that has a PACE lien, the reserve can be used to cover PACE payments during the foreclosure period. Alternatively, if a local government sells a home for unpaid taxes and the sale price falls short of the outstanding tax and first mortgage amounts, the reserve can be used to cover the shortfall (up to the amount of outstanding PACE payments). The $10 million Loss Reserve will be available for all PACE loans issued by enrolled PACE programs and reported to CAEATFA for the length of their terms. PACE programs will report to CAEATFA semi-annually and pay a small administrative fee based on the principal amount of new loans they issue.

2.3 **Completion Certificate**: Document provided to County to certify the completion of a project.

2.4 **Contract**: Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of Exhibit A - SOW.

2.5 **Contractor Program Director**: The individual designated by the Contractor with authority on contractual or administrative matters relating to this Contract that cannot be resolved by the Contractor's Program Manager.

2.6 **Contractor Program Manager**: The individual designated by the Contractor to administer the Contract operations after the Contract award.

2.7 **Contractor**: The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the SOW.

2.8 **County Project Director**: Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.

2.9 **County Project Manager**: Person designated by County's Project Director to manage the operations under this Contract.

2.10 **Day(s)**: Calendar day(s) unless otherwise specified.

2.11 **DEER**: Database for Energy Efficient Resources. (http://www.deeresources.com/)

2.12 **Delinquent Assessment Payments:** A property tax bill and any assessments contained therein is deemed delinquent if any portion of the amount due remains unpaid as of June 30th.

2.13 **Department Head**: Director of Internal Services Department.

2.14 **Department**: Internal Services Department.

2.15 **Early Payoff**: The act of paying the full amount owed on the PACE assessment prior to the end of the PACE assessment term. If an early payoff is requested by the property owner a payoff statement will be prepared showing the remaining terms on the assessment and any early payoff penalties that may be charged.

2.16 **Effective Date:** After acceptance and execution of this Contract by the Contractor, the date this Contract is accepted and approved by the County's Board of Supervisors.

2.17 **Federal Home Loan Mortgage Corporation (FMAC)**: It is a government-sponsored enterprise, commonly known as Freddie Mac, whose primary responsibility is to provide liquidity, stability and affordability to the nation's housing market.

2.18 **Federal Housing Finance Agency (FHFA)**: It is an independent regulatory agency responsible for the oversight of vital components of the secondary mortgage markets – the housing government-sponsored enterprises of Fannie Mae, Freddie Mac and the Federal Home Loan Bank System. Additionally, the FHFA is the conservator of Fannie Mae and Freddie Mac.

2.19 **Federal National Mortgage Association (FNMA)**: It is a government-sponsored enterprise, commonly known as Fannie Mae, whose primary responsibility is to guarantee and purchase loans from mortgage lenders to ensure families can buy homes, refinance or rent a good home.

2.20 **Fiscal Year**: The twelve (12) month period beginning July 1st and ending the following June 30th.

2.21 **ISD**: Internal Services Department.

2.22 **Judicial Validation**: The process where the County PACE Program goes through a State court proceeding to allow any interested stakeholders to intervene and query the legality or other characteristics of the PACE Program to provide assurances to potential PACE Program bond investors that the PACE Program meets all legal requirements.

2.23 **July 6, 2010 FHFA Statement - FHFA Statement on Certain Energy Retrofit Loan Programs**: FHFA's Guidance Memo on July 6, 2010 to FNMA and FMAC describing the actions FHFA will take. Attached as Exhibit K.

2.24 **May 25, 2010 Board Letter - Public Hearing to Establish the Los Angeles County Energy Program Board Letter and Resolution**: Board Letter adopting the Los Angeles County Energy Program (LACEP) via the LACEP Program Report on May 25, 2010. Attached as Exhibit J and includes the following:

- **LACEP Assessment Contract**: The agreements by and between the County and free and willing property owners participating in LACEP, pursuant to which the County agrees to provide financing to such property owners for the acquisition, construction and installation of improvements to such owners' properties.
- **LACEP Program Report**: The legal document approved by County Board of Supervisors enabling the establishment of a residential and commercial

PACE program within Los Angeles County pursuant to PACE enabling legislation, which provides a general description of work anticipated in the County's Residential PACE Program. This document also refers to the PACE programs as Los Angeles County Energy Program (LACEP).

2.25 **Officer of the Company**: A person appointed by the directors to manage the daily affairs of a corporation, sign certain documents and accept legal process for the corporation.

2.26 **PACE Program**: The Los Angeles County Residential PACE Program established as the LACEP pursuant to a Resolution adopted by the Board of Supervisors, on May 25, 2010, under the Contractual Assessment Law.

2.27 **Participating Contractor**: An organization or individual that contracts with another organization or individual (owner) for the construction of a building, road or facility.

2.28 **Program Administrator**: An organization or a team of organizations under a prime contractor who can provide turnkey design, implementation and administration services for the PACE Program.

2.29 **Program Launch**: Shall be the earliest date the County and Contractor mutually concur that the PACE Program may be offered to the public.

2.30 **Project**: The addition to or alteration, conversion, improvement, modernization, remodeling, repair or replacement of a building or part of a building that is used or designed to be used as a residence or dwelling place. For the purpose of this RFP and the PACE Program, all projects referred to herein must comply with the requirements as stated in California Assembly Bill 811.

2.31 **Property Assessed Clean Energy (PACE)**: PACE is an innovative way to finance energy and water improvements to buildings and repay the cost of the improvements by means of a special assessment on property taxes bill of property owners.

2.32 **SOW**: Statement of Work. The complete scope of services requested through this RFP.

3.0 WORK

3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.

3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

4.1 The term of this Contract shall be five (5) years commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County shall have the sole option to extend this Contract term for up to five (5) additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of ten (10) years and six (6) months. Each such option and extension shall be exercised at the sole discretion of the Department Head or designee as authorized by the Board of Supervisors.

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

4.3 The Contractor shall notify County when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to County at the address herein provided in Exhibit D - County's Administration.

5.0 CONTRACT SUM

The Contractor will provide PACE Program services at no cost to the County. Contractor will receive compensation through the fees and interest rates charged to property owners who utilize the PACE Program.

5.1 **Reimbursements**

Contractor shall reimburse County for all fees, costs, and expenses borne by the County to administer the Contract and to support the PACE Program up to one percent (1%) of the par amount of the PACE Program assessment bonds issued. County costs may include, but are not limited to, collecting and distributing the assessment, annual administrative costs incurred by the County, training of contractors, outreach to stakeholders and coordination with other energy programs administered by the County. County staff time is subject to full reimbursement by Contractor.

Without limiting the generality of the foregoing, the County will not submit an invoice to the Contractor until six (6) months after PACE Program Launch to the public.

5.2 **Other Payments**

Contractor shall provide moneys due to County such as for liquidated damages, fees assessed, and/or for any other applicable reason, within thirty (30) days when demand is made for other moneys.

Contractor shall remit all moneys by check, payable to the County of Los Angeles.

Internal Services Department
1100 N Eastern Ave
Los Angeles, CA 90063

In the event Contractor declines to pay County for the moneys owed, County reserves the right to terminate this Contract.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

A listing of all County Administration referenced in the following sub-paragraphs are designated in Exhibit D - County's Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Project Director

Responsibilities of the County's Project Director include:

- ensuring that the objectives of this Contract are met; and
- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 County's Project Manager

The responsibilities of the County's Project Manager include:

- meeting with the Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Program Director

7.1.1 The Contractor's Program Director is designated in Exhibit E - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Program Director.

7.2 Contractor's Program Manager

7.2.1 The Contractor's Program Manager is designated in Exhibit E - Contractor's Administration. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Program Manager.

7.2.2 The Contractor's Program Manager shall be responsible for the Contractor's day-to-day activities as related to this Contract and shall coordinate with County's Project Manager on a regular basis.

7.2.3 The Contractor's Program Manager must have ten (10) years of experience, or be acceptable to the County.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Program Manager.

7.4 Contractor's Staff Identification

Contractor shall provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

7.5 Background and Security Investigations

7.5.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

7.5.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.5.4 Disqualification of any member of Contractor's staff pursuant to this sub-paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.6 Confidentiality

7.6.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this paragraph, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this paragraph shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost

and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.6.4 Contractor shall sign and adhere to the provisions of Exhibit F - Contractor Acknowledgement and Confidentiality Agreement.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

8.1.1 For any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by Department Head or designee.

8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by Department Head or designee.

8.1.3 The Department Head or designee may at his/her sole discretion, authorize extensions of time as defined in Paragraph 4.0 - Term of Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and by Department Head or designee.

8.2 Assignment and Delegation

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract shall be

deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract, which consent shall not be withheld unreasonably, in accordance with applicable provisions of this PACE procurement or Contract. For the avoidance of doubt, nothing in this Section 8.2.2 or in Section 8.2.3 below shall limit or constrain Contractor's ability to sell, convey, pledge or transfer any bonds or other financial instruments reflecting the obligations of the property owners under the PACE Program without obtaining the consent of the County.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the

Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the services set forth in this Contract.

8.5 Complaints

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 Within seven (7) business days after Contract effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating and responding to user complaints.

8.5.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.

8.5.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within seven (7) business days for County approval.

8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.

8.5.5 The Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within two (2) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses shall be sent to the County's Project Manager within two (2) business days of mailing to the complainant.

8.6 Compliance with Applicable Law

8.6.1 In the performance of this Contract, Contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this paragraph shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding

sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 Compliance with Civil Rights Laws

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit C - Contractor's EEO Certification.

8.8 Compliance with the County's Jury Service Program

8.8.1 **Jury Service Program:**

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit G and incorporated by reference into and made a part of this Contract.

8.8.2 **Written Employee Jury Service Policy.**

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more

County contracts or subcontracts. “Employee” means any California resident who is a full-time employee of the Contractor. “Full-time” means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the County under the Contract, the Subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the County’s satisfaction that the Contractor either continues to remain outside of the Jury Service Program’s definition of “Contractor” and/or that the Contractor continues to qualify for an exception to the Program.

4. Contractor’s violation of this sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the

County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 Consideration of Hiring Gain/Grow Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: gaingrow@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 Contractor Responsibility and Debarment

8.12.1 **Responsible Contractor**

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 **Chapter 2.202 of the County Code**

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

8.12.3 **Non-responsible Contractor**

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.12.4 **Contractor Hearing Board**

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of

Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 **Subcontractors of Contractor**

These terms shall also apply to Subcontractors of County Contractors.

8.13 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to

voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Contract Compliance Assurance Plan

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors.

The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 Damage to County Facilities, Buildings or Grounds

8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become

aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of “original” versions of such documents.

8.19 Fair Labor Standards

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor’s employees for which the County may be found jointly or solely liable.

8.20 Force Majeure

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

This Contract is made and executed, and will be performed, all within the State of California. As such, this Contract shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other

compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in Sub-paragraph 7.6 - Confidentiality.

8.23 Indemnification

Notwithstanding any provision of this Contract to the contrary, whether expressly or by implication, the Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees. Without limiting the generality of this Section 8.23, Contractor's indemnity obligations under this Paragraph 8.23 cover, but are not limited to, the following particular categories found elsewhere in this Contract:

8.23.1 Confidentiality (7.6.2);

8.23.2 Compliance with Applicable Law (8.6.2);

8.23.3 Employment Eligibility Verification (8.17.2);

8.23.4 Fair Labor Standards (8.19);

8.23.5 Public Records Act Requests (8.36.2);

8.23.6 Subcontracting/Subcontrators (8.40.3); and

8.23.7 HIPAA (9.1.3)

8.24 General Provisions for All Insurance Coverage

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 **Evidence of Coverage and Notice to County**

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Angela Wu
1100 N Eastern Ave
Los Angeles, CA 90063
awu@isd.lacounty.gov

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.2 **Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 **Cancellation of or Changes in Insurance**

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 **Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.5 **Insurer Financial Ratings**

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.6 **Contractor's Insurance Shall Be Primary**

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or

self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 **Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 **Sub-Contractor Insurance Coverage Requirements**

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

8.24.9 **Deductibles and Self-Insured Retentions (SIRs)**

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 **Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 **Application of Excess Liability Coverage**

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 **Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 **Alternative Risk Financing Programs**

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 **County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 Insurance Coverage

8.25.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 **Professional Liability/Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $2 million aggregate. Further, Contractor understands and agrees it shall

maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

8.25.5 **Privacy/Network Security (Cyber)** liability coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs] (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems with limits of $2 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.26 Liquidated Damages

8.26.1 If, in the judgment of the Department Head or designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head or designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Department Head or designee, in a written notice describing the reasons for said action.

8.26.2 If the Department Head or designee, determines that there are deficiencies in the performance of this Contract that the Department Head or designee, deems are correctable by the Contractor over a certain time span, the Department Head or designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Department Head or designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars ($100) per day per infraction, hereunder, and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.26.3 The action noted in Sub-paragraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This sub-paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.28 Nondiscrimination and Affirmative Action

8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti discrimination laws and regulations.

8.28.2 The Contractor shall certify to, and comply with, the provisions of Exhibit C - Contractor's EEO Certification.

8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

8.28.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this sub-paragraph when so requested by the County.

8.28.7 If the County finds that any provisions of this sub-paragraph have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 Non Exclusivity

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.30 Notice of Delays

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 Notice of Disputes

The Contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Department Head or designee shall resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit H of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.34 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits C - County's Administration and D - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Department Head or designee shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 Prohibition against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 Public Records Act

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Sub-paragraph 8.38 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses,

including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 Publicity

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this sub-paragraph shall apply.

8.38 Record Retention and Inspection/Audit Settlement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract, including but not limited to, documents relating to eligibility of projects, property owners, home improvement contractors and assessments. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any

auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this sub-paragraph shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38.4 Contractor shall also retain records in compliance with all applicable Federal and State law and regulations, if applicable.

8.39 Recycled Bond Paper

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 Subcontracting

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.40.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.

8.40.6 The County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.40.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to:

Angela Wu
1100 N Eastern Ave
Los Angeles, CA 90063
awu@isd.lacounty.gov

before any Subcontractor employee may perform any work hereunder.

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to Sub-paragraph 8.43 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.42 Termination for Convenience

8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.42.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Sub-paragraph 8.38 - Record Retention and Inspection/Audit Settlement.

8.43 Termination for Default

8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of County's Project Director:

- Contractor has materially breached this Contract; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this

Contract to the extent not terminated under the provisions of this sub-paragraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

8.43.4 If, after the County has given notice of termination under the provisions of this sub-paragraph, it is determined by the County that the Contractor was not in default under the provisions of this sub-paragraph, or that the default was excusable under the provisions of Sub-paragraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.42 - Termination for Convenience.

8.43.5 The rights and remedies of the County provided in this sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 Termination for Improper Consideration

8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor’s performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.45 Termination for Insolvency

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non Appropriation of Funds

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the

Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 Waiver

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this sub-paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.51 - Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 10 days of notice

shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.53 Time Off For Voting

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Health Insurance Portability and Accountability Act Of 1996 ("HIPAA")

9.1.1 Contractor expressly acknowledges and agrees that the provision of services under this Contract does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records/patient information for any reason whatsoever.

9.1.2 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

9.1.3 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

9.2 Local Small Business Enterprise (SBE) Preference Program

9.2.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

9.2.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

9.2.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

9.2.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and Internal Services Department of this information prior to responding to a solicitation or accepting a contract award.

9.3 Contractor's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete Exhibit I - Charitable Contributions Certification, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

9.4 Transitional Job Opportunities Preference Program

9.4.1 This Contract is subject to the provisions of the County's ordinance entitles Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

9.4.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

9.4.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

9.4.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

9.5 Disabled Veteran Business Enterprise Preference Program

9.5.1 This Contract is subject to the provisions of the County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.

9.5.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Disabled Veteran Business Enterprise.

9.5.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other

representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.

9.5.4 If Contractor has obtained certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and ISD of this information prior to responding to a solicitation or accepting a contract award.

9.6 Ownership of Materials, Software and Copyright

9.6.1 Contractor warrants and represents, and as between the County and Contractor the County expressly acknowledges and agrees, that any and all computer software and all source code thereof, used or developed by Contractor ("Proprietary Software") in performing the services under this Contract is proprietary and Contractor, or its licensors, shall at all times exclusively own all rights, title, and interest in such software and Proprietary Software, including all intellectual property rights contained therein.

9.6.2 During the term of this Contract and for five (5) years thereafter, the Contractor shall maintain and provide security for all of the Contractor's PACE Program documents, including assessment contracts, prepared under this Contract. County shall have the right to inspect, copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

9.7 County Data

9.7.1 As between County and Contractor, County shall be the sole and exclusive owner of any and all information, data, plans, diagrams, reports and other documents and records entered or accessed or

provided by County, its authorized users or Contractor ("County Data"), excluding any and all software, source codes, and/or directive works of the software, during provision of work and/or services under the Contract. Upon any expiration or termination of this Contract and for a period of five (5) years, and continuously throughout its term, Contractor, at its sole cost and expense, will make available to and otherwise provide County with a complete copy of the most recent back up of any County Data maintained by Contractor or on its behalf, in a mutually agreed upon, commercially standard format that is compatible with County's then existing systems and will assist County in the transition of such County Data as reasonably requested by County. This Contract shall not be construed as granting any ownership rights in Contractor to any County Data or any other County Confidential Information. The County Data shall not be used by Contractor for any purpose other than as required under this Contract, nor shall the County Data or any part of the County Data be disclosed, sold, assigned, leased or otherwise disposed of to third parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, subcontractors or agents.

9.7.2 Notwithstanding anything to the contrary in this paragraph, the County acknowledges and agrees that the Contractor, and its financing partners, will have and may use collected and compiled data and information under this Contract (the “Data Compilations”) in connection with the services provided under this Contract and that such Data Compilations may be used by the Contractor and/or its financing partners for their own purposes, including, without limitation, sale or distribution of financial instruments to third parties; provided, however, that the Contractor will not, and shall ensure that its financing partners will not, sell or distribute any of the County’s confidential information that may be contained in such Data Compilations, unless such confidential information is used only (1) as needed for services under this Contract, or (2) on an aggregated and anonymous basis and does not disclose County confidential information.

9.8 Data Destruction

9.8.1 On County’s written request or upon expiration or termination of this Contract for any reason, Contractor will promptly: (a) return or destroy, at County’s option, all originals and copies of all documents and materials it has received containing County’s confidential information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract; and (c) deliver or destroy, at County’s option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by

Contractor, prepared under its direction, or at its request, from the documents and materials, and provide a notarized written statement to County certifying that all County Data has been delivered to County or destroyed, as requested by County.

9.8.2 Notwithstanding anything to the contrary in this paragraph 9.8, the County acknowledges and agrees that the Contractor, or its financing partners, may keep Data Compilations as well as all data which support any obligations Contractor enters into in connection with financing the Bonds.

9.9 Patent, Copyright and Trade Secret Indemnification

9.9.1 The Contractor shall indemnify, hold harmless and defend County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. County shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.

9.9.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that County's continued use of the system is not materially impeded, shall either:

- Procure for County all rights to continued use of the questioned equipment, part, or software product; or
- Replace the questioned equipment, part, or software product with a non-questioned item; or
- Modify the questioned equipment, part, or software so that it is free of claims.

9.9.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

RENEWABLE FUNDING LLC

By _____
Name

COO / Chief Operating Officer
Title

COUNTY OF LOS ANGELES

By Mike Antonovich
Mayor, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

ATTEST:

PATRICK OGAWA
Acting Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

MAR 0 3 2015

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

By Behnaz Jashakoneni
~~Principal~~ Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

13 MAR 0 3 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

78349

APPENDIX A

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M August 12, 2014 Board Letter - Residential Property Assessed Clean Energy (PACE) Program

EXHIBIT A: STATEMENT OF WORK

EXHIBIT A
STATEMENT OF WORK

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1.0 SCOPE OF WORK

Contractor shall provide turnkey design, implementation, and administration services for County's Residential Property Assessed Clean Energy (PACE) Program Administration.

2.0 COUNTY RESPONSIBILITIES

The County's responsibilities are as follows:

2.1 Personnel

The County will administer the Contract according to Contract Paragraph 6.0 - Administration of Contract – County of the base document. Specific duties will include:

2.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

2.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.

2.1.3 Preparing Amendments in accordance with Contract Sub-paragraph 8.1 – Amendments of the base document.

2.1.4 Placing the approved PACE assessment on the property tax roll for the tax roll year immediately following the disbursement date.

2.1.5 Collecting property taxes and distributing PACE assessment payments.

2.1.6 Other responsibilities as mutually agreed upon by County and Contractor, which may include, but are not limited to, bond issuance, marketing and outreach, contractor training. As to issuance of bonds, such shall be in a timely manner for all projects which have met PACE Program requirements, and shall include mutually agreed-upon bond documents accompanying each bond including but not limited to bond counsel opinion, supplemental opinion, and reliance letter.

3.0 CONTRACTOR RESPONSIBILITIES

The Contractor's responsibilities are as follows:

3.1 Program Manager

3.1.1 Contractor shall provide a full-time Program Manager or designated alternate. County must have access to the Program Manager during all regular business hours on all business days excluding holidays. Contractor shall provide a telephone number where the Program Manager may be reached during the times requiring access.

3.1.2 Program Manager shall act as a central point of contact with the County.

3.1.3 Program Manager shall have a minimum of have one (1) year experience within the last five (5) years managing programs of the size and complexity described within as determined by the County.

3.1.4 Program Manager shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract.

3.1.5 Program Manager shall be able to effectively communicate, in English, both orally and in writing.

3.2 Personnel

3.2.1 Contractor shall assign a sufficient number of employees to perform the required work.

3.2.2 Contractor shall be required to background check their employees as set forth in Base Document *Sub-paragraph 7.4 – Background & Security Investigations* of the base document.

3.3 Contractor's Office

3.3.1 Program Office

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts Contract and PACE Program administrative services at a minimum of five (5) days per week between the hours of 8:00 AM and 6:00 PM. The office shall be staffed by at least one employee who can respond to inquiries and complaints from County staff, which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. The Contractor shall answer calls received by the answering service within one (1) business day of receipt of the call.

Address:
Renewable Funding
500 12th Street, Suite 300
Oakland, CA 94607

Program Call Center Number:	888-839-1857
Program Fax Number:	510-379-5300
Program Email:	info@losangelesfirst.org
Contractor Email:	losangelesfirst@egia.org

3.3.2 Field Office

Contractor shall maintain a field office within Los Angeles County in which PACE Program stakeholders, such as property owners and participating contractors, may visit to speak to PACE Program staff in person. County

shall approve the location of the field office prior to being deployed. The field office is an additional requirement to Sub-paragraph 3.3.1.

3.3.3 Change of Address
The Contractor shall notify the County in writing of any change in the name, address or contact information for any of the Contractor's offices.

3.4 Monthly Meetings

Contractor is required to attend a scheduled monthly meeting to discuss program status, progress, achievement of objectives, and other topics as identified by the County and the Contractor.

3.5 Monthly Reporting

Contractor shall provide County with monthly written reporting indicating status of key PACE Program metrics to be jointly determined by the Contractor and the County. Report for preceding month is due to the County no later than the 10th day of the current month.

4.0 FHFA MITIGATION

4.1 Description

Contractor shall establish and utilize a clear response plan indicating the actions Contractor will take if the FHFA decides to take action against the County or property owners as described in Contract Exhibit B – RFP, Sub-paragraph 1.2 – Background. The response plan shall be subject to approval by County.

4.2 Activities

Activities shall, at a minimum, include:

4.2.1 Include a disclosure on the application to which all property owners must agree by signature prior to application submission. There are three (3) material disclosures that must be made by the Contractor to the property owner as follows:

4.2.1.1 The disclosure shall address the August 31, 2010, Freddie Mac and Fannie Mae issued statements (the "Fannie/Freddie Rule") to sellers of mortgages or to servicers of mortgages held by Fannie/Freddie ("Seller/Servicers") to provide guidance on the purchase of mortgages by Fannie/Freddie secured by properties with a PACE obligation. The Fannie/Freddie Rule also individually provided:

a. Freddie Mac will not purchase mortgages secured by properties subject to PACE obligations that provide for a first lien priority. Seller/Servicers are responsible for monitoring

state and local laws to determine whether a jurisdiction has a PACE program that provides for first lien priority.

b. Fannie Mae will not purchase mortgage loans secured by properties with an outstanding PACE obligation unless the terms of the PACE program do not permit priority over first mortgage liens. Lenders are responsible for monitoring state and local law to determine whether a jurisdiction has a PACE program that provides for lien priority.

4.2.1.2 The second is to make the property owner aware that they should review their existing mortgage documents, which may or may not be a conforming loan that has been acquired or would be eligible to be acquired by Fannie/ Freddie.

4.2.1.3 The third is to disclose that existing mortgages may have prohibitions against entering into senior liens on the property.

4.2.2 Subject to the County's approval, enroll in or maintain enrollment in the CAEATFA (California Alternative Energy and Advanced Transportation Financing Authority) Loss Reserve Program or such similar mortgage loss reserve as described in Section 7.3.2.7.

4.2.3 To the extent that there are any additional rules by Fannie/ Freddie, the FHFA, the banks or any other significant authority, the Contractor will evaluate such measures and make any and all necessary recommendations to avoid adverse consequences to either property owner or communities participating in the PACE Program.

4.2.4 Provide the County with indemnification provisions with respect to all future FHFA action.

4.2.5 Allow all participating property owners the right to pay off their assessment lien in part or in full.

4.2.6 The County reserves the right to actively participate and approve decisions related to the actions and tasks described herein and to any future actions by Fannie/ Freddie, the FHFA, the banks or any other significant authority.

5.0 CONSUMER PROTECTION MEASURES

5.1 Description

Contractor shall ensure best in class protections for property owners from actions such as, including but not limited to, predatory lending, unscrupulous contractors and poor quality assessment servicing.

5.2 Activities

Activities shall, at a minimum, include:

5.2.1 Implement a multi-faceted approach to consumer protection and integrate it into brand usage guidelines, marketing activity policies, advertising policies, sales and training protocol, collateral, financial disclosures and assessment servicing procedures.

5.2.2 Provide product eligibility verification by maintaining a database verifying that all products installed meet the US Department of Energy guidelines or as approved by the County.

5.2.3 Perform a fair pricing assessment on projects if they fall outside a range of acceptability.

5.2.4 Provide special protection for seniors over 65 years of age to confirm they clearly understand the terms of the financing.

5.2.5 Provide assistance in multiple languages, other than and in addition to English, to ensure consumers understand the terms of their financing in their native language.

5.2.6 Enforce all policies and procedures for compliance.

5.2.7 Provide a dispute resolution team to assist consumers with issues.

5.2.8 Prior to Program Launch, create a *Consumer Protection Measures Plan,* included as part of the Operations Manual, and provide to the County for comment and approval.

6.0 PROPERTY OWNER AND PROJECT ELIGIBILITY REQUIREMENTS

6.1 Establishing Requirements

6.1.1 Description

Contractor shall establish property owner and project eligibility requirements and QA/QC parameters by referencing the LACEP Program Report, Section II - Program Requirements, which outlines the minimum eligibility requirements for property owners, their properties and projects as originally contemplated when the PACE Program was approved by the Board. Contractor shall implement and enforce established requirements and verify eligibility with QA/QC parameters, which must be approved by County.

6.1.2 Activities

Activities shall, at a minimum, include:

6.1.2.1 Prior to implementation, identify property, project and owner eligibility requirements within the LACEP Program Report to which the Contractor would like to propose changes. Submit changes to the County for approval.

6.1.2.2 Create a Program Handbook to be made available to stakeholders and update it on a regular basis. See section 7.1.2.2 for additional information.

6.1.2.3 Establish and deliver a *QA/QC Protocol*, included as part of the Operations Manual, for verifying property, project and owner eligibility criteria.

6.1.2.4 Actively encourage and market the usefulness and benefits for residential energy and water audits. Allow the cost of the audit to be eligible for financing.

6.2 Water Conservation Requirements

6.2.1 Description

PACE Program shall include features to increase the adoption rate of water conservation measures.

6.2.2 Activities

Activities shall, at a minimum, include:

6.2.2.1 Actively analyze additional and/or new water technologies for inclusion in the eligible measures list.

6.2.2.2 Educate participating contractors regarding water conservation measures and help them build a referral system of reputable installers.

6.2.2.3 Use marketing channels, press events and collateral to increase consumer awareness of water efficiency upgrades.

6.2.2.4 Coordinate with local outreach and awareness efforts, including LA County Water Authority, LADWP and Metropolitan Water District.

6.3 Revising and/or Retiring Requirements

6.3.1 Description

Contractor shall establish and implement a method by which eligibility requirements may be revised, retired or added to the PACE Program.

6.3.2 Activities

Activities shall, at a minimum, include:

6.3.2.1 Maintain a database of eligible energy efficient, water efficient and renewable energy product types and models. Update financing terms (i.e., product useful life), product specifications and new product classes according to California Building Energy Efficient Standards and where applicable, with respect to California Building Climate Zones or as approved by the County.

6.3.2.2 Establish and deliver a *Qualified Improvement Procedure*, included as part of the Operations Manual that describes a method by which product eligibility requirements may be revised, retired or added to the Program.

6.3.2.3 All suggested revisions to property owner or underwriting criteria shall be pre-approved by the County prior to implementation.

7.0 PACE PROGRAM ADMINISTRATIVE SERVICES

Contractor shall establish, implement and enforce the procedures and process for the application, verification, bond issuance, funding, and repayment of a PACE assessment which must be approved by the County.

7.1 Application Processing and Project Completion

7.1.1 Description

Contractor shall manage the process for property owner applications for PACE funding, confirmation of underwriting criteria, disbursement of funding, document execution and processing, confirming completion of work, assessing construction quality and placement of the assessment on the tax roll.

7.1.2 Activities

Activities shall, at a minimum, include:

7.1.2.1 Application processing, project completion and funding shall be described in detail and with estimated timelines in the Operations Manual but will follow the general process described herein:

a. Apply - Property Owner completes application, agrees to program rules and authorizes the Contractor to verify eligibility for participation. Contractor approves or denies application.

b. Product Approval - Participating contractor or property owner submits product specifications to the Program. Contractor approves products to be installed.
c. Sign Financing Documents - Financing Documents are generated and sent to the Property Owner for execution. Property Owner submits completed Financing Documents to the Program.
d. Install Products - Participating contractor installs eligible products and completes the work.
e. Submit Final Paperwork - A Completion Certificate signed by the property owner and participating contractor and all building permits and inspections, if applicable, are submitted to the Program.
f. Lien Recorded - The lien documents are countersigned and the lien is recorded.
g. Bond Issuance – Bond documents are generated, reviewed and signed by all required parties.
h. Funding - Contractor approves funding and processes payment to the participating contractor or property owner.

7.1.2.2 Contractor shall create the following:

a. **PACE Program Handbook**, similar to the LA County Commercial PACE Program Handbook, to be made available to stakeholders and update it on a regular basis. The Program Handbook must, at a minimum, describe:
    - Any variations from requirements outlined in the Program Report
    - Property, project and owner eligibility criteria
    - Program requirements
    - Finance standards, program fees, assessment terms and interest rate
    - Program processes
    - Dispute resolution process
b. **Operations Manual** as described in more detail in Section 13.2.3.

7.1.2.3 Contractor shall have a data system for generating, processing, and archiving all documentation related to the entire workflow from application submittal through funding. It shall ensure policy compliance, workflow efficiency and procedures and data archiving and reporting. It shall include the following features:

a. Provide user-based access to information and functionality;
b. Access to all Program Services and Production Team members to complete tasks and/or document file notes;
c. User activity logging for every change, note and action;
d. Ability to look-up, add and edit eligible products;

e. Document generation that ensures a property owner's financing documents include accurate and policy-compliant terms and disclosures;
f. Critical milestone and expiration date tracking on all files;
g. Electronic document workflows for eSignature.

7.1.2.4 Contractor shall service all County cities already opted into the CaliforniaFIRST Program under the County PACE Program upon Program Launch under this Contract. During Contract term and subsequent to Program Launch, all of Contractor's PACE activities in Los Angeles County shall be exclusively through the County's PACE Program under this Contract.

7.1.2.5 Contractor shall report monthly energy savings and program metrics.

7.2 Financing, Assessment, Bond Issuance and Funding

7.2.1 Description

Contractor shall establish procedures for financing, assessments, bond issuance and funding. Contractor shall implement and enforce established procedures, which must be approved by County.

7.2.2 Activities

Activities shall, at a minimum, include:

7.2.2.1 Contractor shall set interest rates, fees, and terms as approved by County and re-negotiated periodically. Contractor shall ensure that such shall be made available to property owners through the PACE Program website. Attachment A to this Statement of Work is provided as a reverence to the type of rate and fee schedule expected to be negotiated and maintained throughout the contract term.

7.2.2.2 The costs identified by the borrower can be paid by the borrower or financed.

7.2.2.3 Property owners may choose to pay off their assessment amount at any time in full or in part as permissible by law.

7.2.2.4 Contractor shall record the assessment and place and/or record the lien against the property. This process shall be described in detail and with estimated timelines in the Operations Manual but will follow the general process described herein:

a. Contractor generates Assessment Contract.
b. Property owner signs Assessment Contract.
c. County executes Assessment Contract.

d. Participating contractor completes work and requests funding.
e. Contractor verifies completion of project.
f. County executes Payment of Contractual Assessment Required and Notice of Assessment for Contractor to record on the property.
g. Contractor drafts assessment into bond documents, which are reviewed and signed by all required parties.
h. Contractor confirms recordation of included assessments and bond close occurs.
i. Contractor issues funding to participating contractor or property owner.

7.2.2.5 Contractor shall certify the completion of a project by requiring a signed Completion Certificate, final invoice and, if applicable, the final building permit prior to payment for products or services.

7.2.2.6 Contractor shall create, utilize and maintain Program documents and forms with function and the same or similar title as set forth in Attachment B: Program Documents. Any proposed adds, deletes, or changes to Program Documents will be proposed in advance by Contractor and subject to review and approval by County. Program Documents include, but are not limited to those listed in Attachment B: Program Documents.

7.2.2.7 Contractor shall reimburse County for all fees, costs, and expenses borne by the County to administer the Contract and to support the PACE Program up to one percent (1%) of the par amount of the PACE Program assessment bonds issued. Without limiting the generality of the foregoing, the County will not submit an invoice to the Contractor until six (6) months after PACE Program Launch to the public, County costs may include, but are not limited to, collecting and distributing the assessment, annual administrative costs incurred by the County, training of contractors, outreach to stakeholders and coordination with other energy programs administered by the County. County staff time is subject to full reimbursement by Contractor.

7.2.2.8 Contractor shall supply access to capital utilizing a primary path and a secondary path:

a. Primary Financing Path: Contractor will purchase bonds, through means at its discretion, including its cash on hand, its credit facility, or otherwise. As part of the securitization process the Contractor may complete an audit of systems and the files associated with the property owner. All costs related to a securitization will be paid by Contractor.

b. Secondary Financing Path: Access “whole loan” buyers who are accredited investors and willing to purchase the unrated bonds and hold them to maturity, and are obligated to sign an investment letter.

7.2.2.9 Prior to any public sale of a securitization product, the County shall be allowed access to pricing materials, including transaction costs and secondary market trading activity, as well as bond documents for informational purposes only.

7.3 Financing Repayment

7.3.1 Description

Contractor shall manage the repayment process, keep track of the remaining PACE assessment amount and term, refund excessive or erroneous assessments, and manage delinquent payments and foreclosures subsequent to placing the PACE assessment on the tax roll.

7.3.2 Activities

Activities shall, at a minimum, include:

7.3.2.1 Contractor shall utilize software to generate the assessment contract and bond documents, verify electronic payment, generate recording documents and track completed steps.

7.3.2.2 Contractor shall track the remaining PACE assessment amounts and terms using a third-party assessment administrator approved by the County and retained by the Contractor. Contractor shall report payment amounts or outstanding payments amounts to the County.

7.3.2.3 Contractor, or its approved agent, shall work with the County to facilitate the placement of PACE assessments on the property tax roll.

7.3.2.4 Contractor, or its approved agent, shall manage all early payoffs of PACE assessments.

7.3.2.5 Contractor, or its approved agent, shall manage the debt service payment process to bond holders. County has the right to advance approval of any paying agent or trustee to be assigned to the Program.

7.3.2.6 Contractor, or its approved agent, shall be proactive in the management of delinquent property tax payments and track delinquency promptly but no later than monthly. Monthly status

reports shall be sent to the County that includes detailed status on an assessment level, including APN, amount levied, amount paid, total delinquency. Upon payment of delinquent amounts, the assessment administrator provides reports that detail the amount collected with late fees and default interest reported separately.

7.3.2.7 The PACE Program shall have (2) loss reserves:

a. Bond Reserve: This loss reserve is utilized to make advances to bondholders if a property owner is delinquent. It is a shared reserve across each Master Indenture. The loss reserve will be funded by PACE Program participants and held by a trustee approved by the County.
b. Mortgage Loss Reserve: This reserve is set up to advance funds to a mortgage entity that may have to pay delinquent taxes and will cost property owners additional costs. Contractor will work with the County to ensure that the PACE Program rules and requirements meet the restrictions imposed by participating in the CAEATFA PACE Loss Reserve or such similar mortgage loss reserve or insurance program as approved by the County.

8.0 MARKETING AND OUTREACH

8.1 Description

Contractor shall establish, implement, and enforce a marketing, outreach and PR program, and represent the PACE Program by participating in meetings and presentations. The marketing and outreach program shall be approved by County prior to being implemented.

8.2 Activities

Activities shall, at a minimum, include:

8.2.1 Contractor shall identify potential local stakeholder organization and companies and work to develop partnerships to help with marketing and education efforts in the region. Partnership efforts will be made with the following groups: local home improvement contractors, manufacturers and distributers, real estate organizers and civic organizations.

8.2.2 Create and implement a *Marketing and Outreach Plan* that is custom to the County, included as part of the Operations Manual. It will include best practices from other markets but be custom to the demographics and local press and events for the LA County region.

8.2.3 Contractor shall create and update marketing collateral, informational materials, website, systems software, etc. necessary to market the PACE Program to targeted stakeholders while working with the County to receive appropriate approvals and integrate County comments and requests.

8.2.4 Contractor shall create and maintain a website that includes the following:

8.2.4.1 An experience that is intuitive, simple and easy to use, and inspires trust and confidence in the PACE Program.

8.2.4.2 Comprehensive eligible energy, water and renewable energy product information, rebates, and look-up capacity either directly or through reference or web page link.

8.2.4.3 Interest rates, fees and a summary of terms.

8.2.4.4 Video and written testimonials.

8.2.4.5 Help property owners evaluate which energy investments make sense for them and which participating contractors are properly licensed to do the work, either directly or through reference or web page link.

8.2.4.6 Facilitate communication between property owners and Contractor staff, participating contractors, and other relevant providers through specialty webpages or portals with email capability, and administrator functions, or as mutually agreed by County and Contractor.

8.2.4.7 Provide an online application so that property owners may go to the website, enter their information and be pre-approved (or denied) in the same day.

8.2.4.8 Upon request by the County, and as mutually agreed between County and Contractor, allow participating contractors who also complete the PACE Program training to create a business listing on the website, including a short self-generated description of their business and specialties, that property owners may review when searching for a participating contractor.

8.2.4.9 **County Portal.** Create and maintain a County-only portal specifically for the County that allows secure access to data, metrics and project status as needed. This portal is not for general public use.

a. The portal shall provide real-time program reporting, or as otherwise agreed between County and Contractor, on a number of key project metrics including, but not limited to:
   - Number of applications
   - Number of applications approved
   - Dollar amount of applications
   - Number of funded projects
   - Dollar amount of funded projects
   - Number of projects by industry: solar, energy efficiency, water efficiency
   - Number of contractors by industry
   - Identification of local contractors
   - Jobs Created
   - Energy Reductions
   - GHG Reductions

8.2.4.10 **Participating-Contractor Portal.** Create and maintain a participating contractor portal that allows secure access to PACE Program resources and real-time data specific to their needs and projects. This portal shall contain resources for contractors and a protected area that will provide them with real-time data specific to their needs and projects.

8.2.4.11 Website shall connect with or have a landing page on www.lapace.org

9.0 PARTICIPATING CONTRACTOR MANAGEMENT

9.1 Description

Contractor shall recruit, enroll, train, manage, and maintain a pool of qualified home improvement contractors sufficient to meet PACE Program demand and enforce QA/QC parameters governing their eligibility and continued PACE Program participation.

9.2 Activities

Activities shall, at a minimum, include:

9.2.1 Create and implement a *Participating Contractor Management Plan*, included as part of the Operations Manual. The Plan shall include qualifications and QA/QC parameters, including penalties for failures up to and including disqualification from the PACE Program to manage participating contractors

9.2.2 Contractor shall manage the Program's participating contractors, including their registration and training. This process shall be described in detail and with estimated timelines in the Operations Manual.

9.2.3 Contractor shall verify active license status of all participating contractors via the California State Licensing Board.

9.2.4 Contractor shall require all participating contractors to register with the PACE Program, agree to the terms and conditions and complete training prior to proceeding with their first customer.

9.2.5 Contractor shall verify the good standing of its participating contractors on a regular and timely basis and suspend those in violation of the requirements.

9.2.6 Contractor shall create a training program for participating contractors to meet both initial and ongoing training requirements.

9.2.7 Contractor shall create and maintain a custom-designed web portal specifically for participating contractors as described in section 8.2.4.10.

9.2.8 Contractor shall ensure that the participating base supply meets the PACE Program demand.

10.0 CUSTOMER SERVICE & SATISFACTION

10.1 Description

Contractor must assure quality customer service to PACE Program stakeholders, such as property owners and participating contractors. Contractor shall implement and enforce established procedures, which must be approved by County.

10.2 Activities

Activities shall, at a minimum, include:

10.2.1 Contractor shall establish a *Customer Service Plan,* included as part of the Operations Manual. The Plan shall outline procedures and timelines for resolving complaints and concerns throughout using standard escalation procedures including the following suggested stages, and as approved by the County: (1) Intake – Report of Incident, (2) Triage of Incident, (3) Investigate Incident, (4) Agree on Action, (5) Chief Compliance Officer Review Recommendations, (6) Implement Resolution Measure, (7) Closure and Tracking. It will address the point in the complaint process at which the County is notified.

10.2.2 Contractor shall respond to issues and complaints within one business day.

10.2.3 Contractor shall maintain a call center with a toll free number operated by an experienced and qualified live agent during business hours.

10.2.4 Contractor shall track customer service metrics on multiple service levels and provide the County with monthly written updates.

10.2.5 Contractor shall provide an experienced and qualified customer service staff to adequately address issues in a timely manner.

10.2.6 All calls, emails and online chats shall be recorded.

11.0 COORDINATION WITH COUNTY ENERGY PROGRAMS

To perform the work herein, Contractor shall leverage marketing efforts and coordinate with other energy programs administered by the County including Green LA County, The Energy Network, Los Angeles County Commercial PACE Program and Energy Upgrade California – LA County.

12.0 OUTGOING TRANSITION PLAN

12.1 Description

Contractor shall develop and provide an Outgoing Transition Plan to ensure a smooth transition with County or County's selected contractor upon expiration or termination of this Contract.

12.2 Activities

Activities shall, at a minimum, include:

12.2.1 Develop an Outgoing Transition Plan

12.2.2 Upon County's advance written approval of the Outgoing Transition Plan in paragraphs 12.2.1 and 12.2.3, Contractor shall implement the outgoing Transition Plan within sixty (60) days, or such time as is necessary, at County's discretion, prior to the expiration or termination of this Contract.

12.2.3 Without limiting the generality of the foregoing, the Outgoing Transition Plan shall include an identification of: (1) applications submitted and approved, (2) signed assessment agreements, (3) projects completed but not yet funded through bond issuance, (4) payment history for all assessment contracts, and (5) access to all account statements produced by the paying agent and/or trustee since PACE Program inception.

13.0 PACE PROGRAM QUALITY ASSURANCE/QUALITY CONTROL (QA/QC)

13.1 Description

Contractor must assure best in class quality and control processes are in place and enforced to evaluate the effectiveness of the PACE Program and maintain quality control of eligibility requirements, contractors and projects. This section does not preclude County's right to terminate the Contract, in accordance with Contract, Paragraph 8.0 - Standard Terms and Conditions, Sub-paragraph 8.42 - Termination for Convenience and Sub-paragraph 8.43 - Termination for Default.

13.2 Activities

Activities shall, at a minimum, include:

13.2.1 Contractor's County Portal on the PACE Program website shall provide real-time reporting and key project metrics as described in section 8.2.4.9.

13.2.2 Contractor shall perform on-site validations on a spot-check basis to ensure eligible product installation.

13.2.3 Contractor shall create an Operations Manual that includes internal procedures, processes, policies, best practices, form agreements and other documents that support the implementation, and administration of the PACE Program. It shall be approved by the County prior to implementation. The Operations Manual shall include at a minimum, but is not limited to, the following items:

13.2.3.1 *Consumer Protection Measures Plan* addressing the requirements of Section 5.2.

13.2.3.2 *Qualified Improvement Procedure* document addressing the requirements of Section 6.3.

13.2.3.3 *Marketing and Outreach Plan* addressing the requirements of Section 8.2.

13.2.3.4 *Participating Contractor Management Plan* addressing the requirements of Section 9.2.

13.2.3.5 *Customer Service Plan* addressing the requirements of Section 10.2.

13.2.3.6 It shall include a list of all metrics that will be tracked during the Program term. Metrics shall be reportable on a County level or by individual cities within the County.

13.2.3.7 Contractor shall establish and utilize a comprehensive PACE Program *QA/QC Plan* to assure the County a consistent high level of service throughout the term of the contract. It shall include QA/QC processes, policies and best practices for all PACE program components including, but not limited to:

a. Program Services (Call Center) – Fully trained, in house staff that can assist contractors and consumers with the PACE process. All calls, emails, and online chats shall be recorded. Contractor shall use procedures to monitor call center performance and provide mechanisms for feedback on agents from calls.

b. Production – Fully trained in house team that supports every step of the underwriting, document, and funding processes. All actions shall be tracked and managed through secure residential PACE software platform and use QC audit procedures to ensure all originations meet detailed requirements and Service Level Agreements.

c. Closing and Funding – When closing documentation is received, it must be approved and reviewed to ensure all closing conditions have been met, including the submittal of Final Building Permits, if applicable.

d. Marketing –The Program marketing team shall approve all marketing plans and ads that fall outside of participating home improvement contractor -stated guidelines. Review and approval services shall be available to all participating contractors.

e. Internal Training – Provide detailed, specific service level agreement and process requirements for all Program roles and departments ensuring that all guidelines are adhered and all training is consistent and continuous.

f. Compliance Team –The compliance team shall provide assistance to resolve any disputes between participating contractors and consumers.

g. Municipal Development / Account Management – Provide participating cities with dedicated account support and

educate social service agencies and law enforcement agencies involved in consumer protection so that they know and understand how the program works.

h. Bond Issuance Process –Use a methodical, streamlined approach to ensure all bond issuance requirements are met including review by bond counsel, approval, and signature on all applicable bond documents. As part of the bond issuance process, the Contractor shall generate a Data File that includes all calculations included in the bond documents and processes it through a multi-person workflow for review and approval.

i. Program Impact Reporting – Provide an unbiased validation of actual and projected energy savings and economic impact achieved through Program implementation.

j. Data Verification – All data used to create customer amortization and payment schedules must be reviewed by Program staff, third-party assessment administrator, and Bond Counsel prior to issuance of bonds. Any change to software that accesses this data must be subjected to rigorous QA/QC testing before software changes are implemented.

k. Delinquent Payments –Prepare reports at each tax payment date that detail delinquent payments. At the same time, send reminder notices to Property Owners followed by letters and inquiries if payment is not made by June 30th of a given tax year.

13.2.4 Contractor will provide a monthly Officer's Certificate stating compliance with all PACE Program documents.

13.2.5 Contractor will notify the County within 3 business days of discovery of any breach of or default on any term or condition in a PACE Program document.

13.2.6 Contractor shall develop, implement and manage all resources, systems software, applications, models, templates and/or reporting mechanisms to track progress of the PACE Program, archive data and provide information in support of the PACE Program tasks, QA/QC and County requests.

13.3 Compliance

The County will evaluate the Contractor's performance under this Contract using the Contract Compliance assurance procedures as defined in Contract, Sub-paragraph 8.15 - County's Contract Compliance Assurance Plan. When Contractor's performance does not conform to the requirements of this Contract, County will have the option to apply the following non-performance remedies:

13.3.1 Require Contractor to implement a formal corrective action plan, subject to approval by County. In the plan, Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.

13.3.2 Reduce, suspend or cancel this Contract for systematic problems, deliberate misrepresentations or unacceptable levels of performance.

13.3.3 Failure of Contractor to comply with, or satisfy the request(s) for improvement of performance, or to perform the neglected work specified within ten (10) business days, shall constitute authorization for County to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of Contractor's failure to perform said service(s), as determined by County, shall be credited to County on Contractor's future invoice(s).

Attachment A: Expected Program Fees, Terms and Rates

Term	Interest Rate	APR
5	6.75%	9.14%
10	7.90%	9.52%
15	8.25%	9.77%
20	8.75%	9.82%

- Program Fees
- Reserve Fee for delinquent Payments
- CAEATFA Reserve Fee
- Annual Administrative Fee
- Recording Fee

Fee	Amount	Description	Triggering Events for Adjustments[1]
Upfront Fees			
Application Fee	0	No application fee is charged	
Administrative Fee	4%	Of Project Amount, Paid to Program Administrator at Closing	
Lien Recordation Fee	$90-$110	Fixed Fee, Paid by Program Administrator at Closing, Varies by number of pages recorded	
Bond Reserve Fee	.25%	Of Assessment Amount, For Benefit of Bond Holders, Held by Trustee at Closing	
PACE Loss Reserve Fee	.25%	Of Assessment Amount, For Benefit of Mortgage Holders, Held by Trustee at Closing, Paid to CAEATFA at enrollment	
County Sponsor Fee	.5% - .85%	Of Project Amount, Paid to County at closing to cover expenses associated with marketing, issuance, etc.	
Bond Counsel	1%	Of Project Amount, Paid to Bond Counsel at closing, Expense of County	
Special Tax Admin Upfront Fee	.525%	Of Project Amount, Paid to Special Tax Administrator at closing, Expense of County	
Appraisal Fee	$0 - $400	Fixed Fee, Paid to Property Owner, Only charged if automated valuation model does not produce value and property owner required to get appraisal	
Annual Fees			
County Annual Fee	.25	Per Parcel	
Special Tax Admin Annual Fee	$8	Per Parcel	
Trustee Annual Fee	$7	Per Parcel	

[1] Examples include but are not limited to macroeconomic conditions, interest rate fluctuations, successful securitization of underlying assessments, FHFA actions, etc.

Attachment B: Program Documents

Document Name	Document Type	County Approval Required
Program Implementation Plan	Program Design	
Program Operations Manual	Program Design	
Program Report	District Formation	
Program Handbook	Reference Document	
Eligible Product List	Reference Document	
Contractor Reference Materials	Reference Document	
Website Terms of Use	Reference Document	
Privacy Policy	Reference Document	
Electronic Record and Signature Disclosure		
Notice of Assessment	Recorded Document	
Payment of Contractual Assessment Required	Recorded Document	
Bond Purchaser Letter	Bond Document	
Issuer Closing Certificate	Bond Document	
Receipt for Bonds Proceed (Email confirmation – not formal document)	Bond Document	
Receipt for Bonds	Bond Document	
Supplemental Indenture	Bond Document	
Improvement Bond	Bond Document	
Trustee Closing Certificate	Bond Document	
Final Approving Legal Opinion	Bond Document	
Reliance letter to Bond Purchaser and the Trustee.	Bond Document	
Supplemental Opinion	Bond Document	
.Request of the Authority to Trustee	Bond Document	
Requisition No. 1 from Costs of Issuance Fund.	Bond Document	
Requisition No. 1 from Program Fund.	Bond Document	
Program Application & Disclosure	Financing Document	
Custom Product Application (Standard Products part of Program Application)	Financing Document	
Assessment Contract	Financing Document	
Financing Summary/ Statement	Financing Document	
Notice of Right to Cancel	Financing Document	
Multi-Contractor Agreement	Financing Document	
Self-Install Agreement	Financing Document	
3rd Party Payment Designee Form/ Payment Assignment	Financing Document	
Completion Certificate	Financing Document	
Self-Install Completion Certificate	Financing Document	
Contractor Participation Agreement	Contractor Registration	
Contractor W9	Contractor Registration	
Financing Docs Attached	Communication	
Notice to Proceed	Communication	
Application Approved	Communication	
Application Conditionally Approved	Communication	
Application in Review	Communication	
Application Denied/ Adverse Action Letter	Communication	
Agency Information Sheet	Tax Admin Document	
Agreement for Billing Assessments (May not be necessary for LAC Program)	Tax Admin Document	
Evidence of Authority to Levy Assessments (Resolutions)	Tax Admin Document	
Written Authority to Levy Assessments		
Electronic Record and Signature Disclosure		

EXHIBIT B: REQUEST FOR PROPOSALS FOR RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM ADMINISTRATION #104464

EXHIBIT C: CONTRACTOR'S EEO CERTIFICATION

Renewable Funding LLC
Contractor Name

500 12th St., Suite 300, Oakland, CA 94607
Address

26-3007423
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS	YES	NO
1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	☒	☐
2. The Contractor periodically conducts a self analysis or utilization analysis of its work force.	☒	☐
3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	☒	☐
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.	☒	☐

Mimi Frusha, Chief Operating Officer
Authorized Official's Printed Name and Title

Authorized Official's Signature

1/13/15
Date

EXHIBIT D: COUNTY'S ADMINISTRATION

Updated: January 2015

COUNTY'S PROJECT DIRECTOR

Name:	Yolanda Young
Title:	Contracting Division Manager
Address:	1100 N Eastern Ave
	Los Angeles, CA 90063
Telephone:	(323) 267-3101
E-mail:	yyoung@isd.lacounty.gov

COUNTY'S PROJECT MANAGER

Name:	Howard Choy
Title:	General Manager - Office of Sustainability
Address:	1100 N Eastern Ave
	Los Angeles, CA 90063
Telephone:	(323) 267-2006
E-mail:	hchoy@isd.lacounty.gov

EXHIBIT E: CONTRACTOR'S ADMINISTRATION

Renewable Funding LLC
CONTRACTOR'S NAME

Contract No. _____
Updated: January 2014

CONTRACTOR'S PROGRAM DIRECTOR

Name:	Mimi Frusha
Title:	Chief Operating Officer
Address:	500 12th St., Suite 300
	Oakland, CA 94607
Telephone:	(510) 451-7903
E-mail:	mimi@renewfund.com

CONTRACTOR'S PROGRAM MANAGER

Name:	Annie Henderson
Title:	Vice President of Programs
Address:	500 12th St., Suite 300
	Oakland, CA 94607
Telephone:	(510) 451-9111
E-mail:	annie@renewfund.com

CONTRACTOR'S AUTHORIZED OFFICIAL

Name:	Joanna Karger
Title:	Chief Financial Officer
Address:	500 12th St., Suite 300
	Oakland, CA 94607
Telephone:	(510) 451-7912
E-mail:	joanna@renewfund.com

NOTICES TO CONTRACTOR SHALL BE SENT TO THE FOLLOWING ADDRESS

Name:	Mimi Frusha
Title:	Chief Operating Officer
Address:	500 12th St., Suite 300
	Oakland, CA 94607
E-mail:	mimi@renewfund.com

EXHIBIT F: CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Purchase Order. Work cannot begin on the Purchase Order until County receives this executed document.)

Contractor Name RENEWABLE FUNDING LLC Contract No. _____

GENERAL INFORMATION:
The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:
Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:
Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: 1/13/15
PRINTED NAME: MIMI FRUSHA
POSITION: CHIEF OPERATING OFFICER

EXHIBIT G: JURY SERVICE ORDINANCE

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

   1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

   2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

   3. A purchase made through a state or federal contract; or

   4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

   5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

   6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

   7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

   8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

EXHIBIT G: JURY SERVICE ORDINANCE

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

EXHIBIT H: SAFELY SURRENDERED BABY LAW

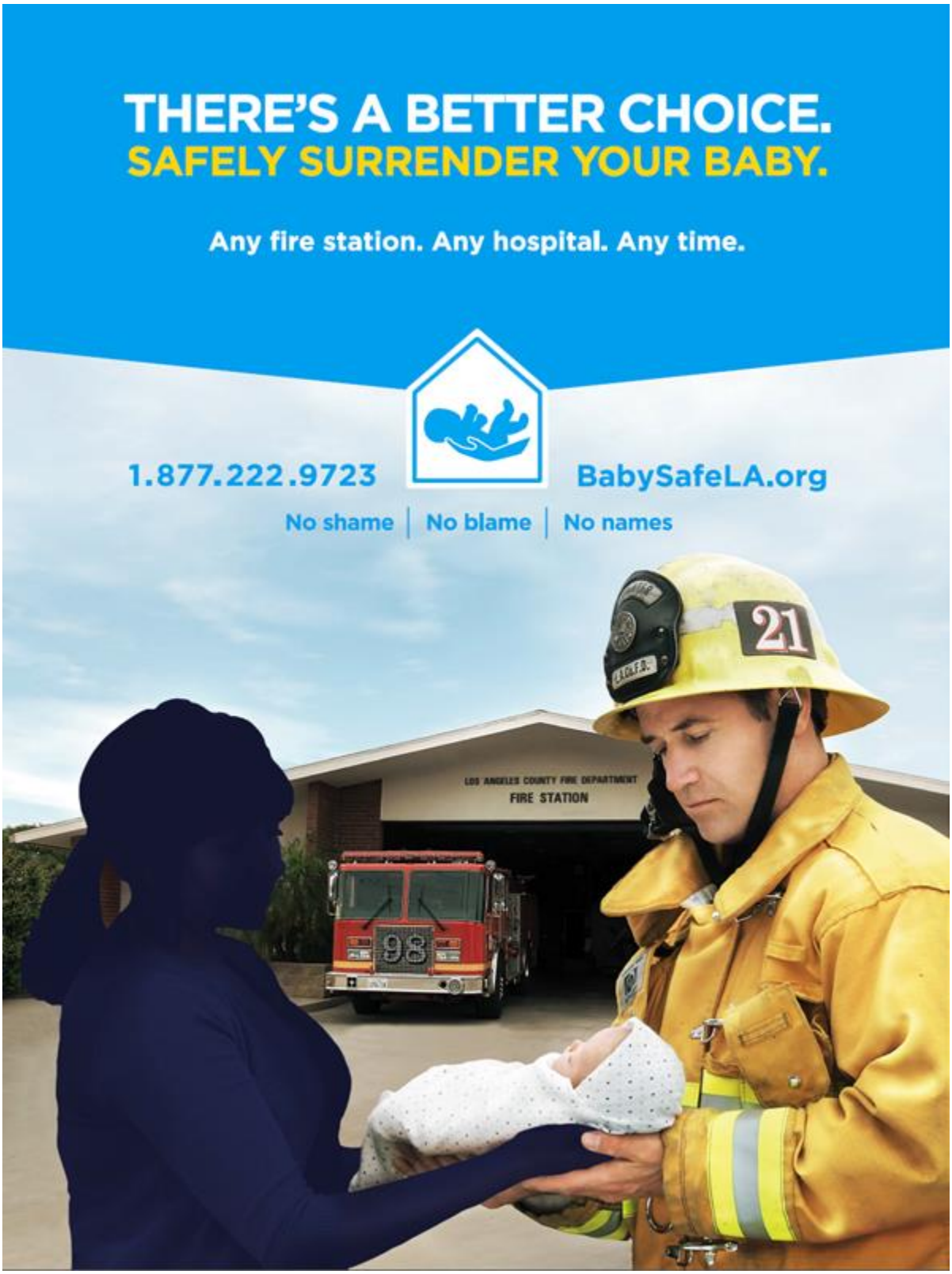

EXHIBIT H: SAFELY SURRENDERED BABY LAW

EXHIBIT I: CHARITABLE CONTRIBUTIONS CERTIFICATION

Renewable Funding LLC
Company Name

500 12th St., Suite 300, Oakland, CA 94607
Address

26-3007423
Internal Revenue Service Employer Identification Number

California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

Signature

1/13/15
Date

Mimi Frusha, Chief Operating Officer
Name and Title of Signer (please print)