

RESOLUTION NO. 2015-25

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELL, STATE OF CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE INCORPORATED AREA OF THE CITY IN THE LOS ANGELES COUNTY ENERGY PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES AND ENERGY AND WATER EFFICIENCY IMPROVEMENTS, APPROVING THE REPORT SETTING FORTH THE PARAMETERS OF THE REFERENCED PROGRAM AND CERTAIN MATTERS IN CONNECTION THEREWITH

WHEREAS, Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act") authorizes cities and counties to assist free and willing property owners in financing the installation of distributed generation renewable energy sources and energy and water efficiency improvements (the "Improvements") that are permanently fixed to residential, commercial, industrial or other real property through a contractual assessment program; and

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles, a political subdivision of the State of California (the "County"), has established a contractual assessment program named the Los Angeles County Energy Program ("LACEP") pursuant to the Act; and

WHEREAS, the parameters of LACEP are set forth in the Report attached hereto as Exhibit A (the "Report") and such Report has been prepared by the Director of the Internal Services Department of the County, as Program Administrator (the "Program Administrator"), pursuant to Section 5898.22 of the Act and approved by the Board of Supervisors; and

WHEREAS, the Act authorizes the County to enter into contractual assessments with property owners located within incorporated cities only subsequent to the approval of the legislative body of the related city to participate in LACEP; and

WHEREAS, the City of Bell desires to participate with the County in LACEP, under terms and conditions agreed to by City of Bell and the County, and provide for participation in LACEP by property owners located within City limits; and

WHEREAS, this Council of the City of Bell has reviewed the Report;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Council of the City of Bell as follows:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. This City Council finds and declares that properties in the City's incorporated area will be benefited by participation in LACEP.

Section 3. This City Council ratifies the resolution adopted by the Board of Supervisors on April 6, 2010 declaring the Board of Supervisors' intention to order the implementation of a contractual assessment program to finance Improvements pursuant to the Act.

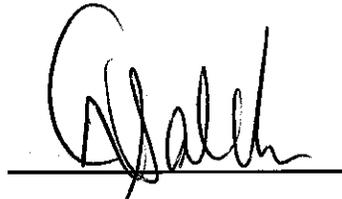
Section 4. This City Council hereby approves the Report substantially in the form attached hereto as Exhibit A and finds and determines that changes to the parameters of LACEP that are not material in nature do not require the approval of this Council.

Section 5. This City Council hereby approves the inclusion in LACEP of all of the properties in the incorporated area within the City, as same may be amended through annexation from time to time, the acquisition, construction and installation within City limits of the Improvements set forth in the Report upon the request and agreement of the affected property owner, and the assumption of jurisdiction thereover by the County for the aforesaid purposes. The adoption of this Resolution by this City Council constitutes the approval by the City to participate in the LACEP. This City Council further authorizes the County to set the terms of and implement LACEP and to take each and every action necessary or desirable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance of bonds secured by such contractual assessments.

Section 6. The City Clerk is directed to file a certified copy of this Resolution with the Los Angeles County Office of Sustainability, located at 1100 North Eastern Avenue, Los Angeles, California 90063.

Section 7. City staff is authorized and directed to coordinate with the County, including the Program Administrator and County staff, to facilitate operation of LACEP. City staff is also authorized and directed to do all acts and things which may be required by this Resolution, or which may be necessary or desirable in carrying out LACEP as described in the Report, as may be amended from time to time, and approved by this Resolution, and all matters incidental thereto.

The foregoing Resolution was on the 27th day of May 2015, adopted by the City Council of the City of Bell.



Ali Saleh, Mayor

APPROVED AS TO FORM:


Dave Aleshire, City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

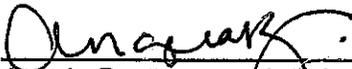
I, Angela Bustamante, Interim City Clerk of the City of Bell, hereby certify that the above and foregoing resolution was duly adopted by the Bell City Council at its regular meeting held on the 27th day of May 2015, by the following vote:

AYES: Councilmembers Gallardo, Quintana, Valencia, Vice Mayor Romero and Mayor Saleh

NOES: None

ABSENT: None

ABSTAIN: None



Angela Bustamante, Interim City Clerk

EXHIBIT A

Los Angeles County
Energy Program
(LACEP)



PROGRAM REPORT

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I. INTRODUCTION

The Los Angeles County Energy Program ("LACEP" or "Program") is intended to help property owners make capital investments in distributed generation renewable energy sources and energy efficiency and water efficiency improvements (collectively known as "Improvements") that will provide long-term benefits and reduced energy bills. The Program will provide a financing mechanism for the Improvements through an assessment contract (the "Assessment Contract") between the County of Los Angeles (the "County") and the property owner, pursuant to which the County will disburse a specified amount to the property owner. The property owner will pay contractual assessments levied against the property through annual installments on the property tax bill. If the owner sells the subject property prior to full repayment of the assessment, the repayment obligation remains a lien on the subject property. The County intends to finance the Program in part by issuing (or causing to be issued) bonds payable from contractual assessment revenues. Participation in the Program is completely voluntary and property taxes for non-participating property owners are unaffected by the Program.

This Program Report ("Report") is prepared pursuant to Section 5898.22 of Chapter 29 of the California Streets and Highways Code ("Chapter 29") in connection the establishment of LACEP. It includes the following:

- 1) A map showing the boundaries of the Program - the territory within which contractual assessments are proposed to be offered. See Appendix A attached hereto.
- 2) A draft Assessment Contract specifying the terms and conditions that would be applicable to the property owner and the County. See Appendix C attached hereto.
- 3) A statement of County policies concerning voluntary contractual assessments, including all of the following:
 - Identification of the types of facilities, distributed generation renewable energy sources, or energy or water efficiency improvements that may be financed through the use of contractual assessments.
 - Identification of one or more County officials authorized to enter into voluntary contractual assessments on behalf of the County.
 - A maximum aggregate dollar amount of voluntary contractual assessments.
- 4) A method for establishing priority order among the requests from property owners for financing through LACEP.
- 5) A financing plan for raising capital.
- 6) A report on the results of consultations with the County Auditor-Controller concerning the additional fees, if any, that will be charged for incorporating the proposed voluntary contractual assessments into the general taxes of the County on real property, and a plan for financing the payment of those fees.

Background

Widespread implementation of distributed generation renewable energy sources and energy efficiency and water efficiency measures in existing buildings within the County will help the State of California ("State") reach the greenhouse gas reduction goals set forth under State Assembly Bill 32 ("AB 32") and help the County and surrounding cities achieve their own targeted reductions. Participating property owners can help to achieve greenhouse gas reductions, reduce water and energy use, and save money by investing in these measures.

Chapter 29 authorizes various public agencies, including counties and cities, to designate areas within which free and willing property owners can enter into contractual assessments to finance the installation of Improvements that are permanently fixed to residential, commercial, industrial, agriculture or other real property. LACEP is the voluntary contractual assessment program developed by the County pursuant to

Chapter 29. Any assessments and liens under LACEP are levied only with the consent of free and willing owners of the property on which Improvements are to be made. The Program will provide financing for qualifying property owners within the County to install Improvements pursuant to the terms and conditions of the Assessment Contracts. Property owners will pay contractual assessments levied against their property in installments on their property tax bills. Each contractual assessment is tied directly to the applicable property and any unpaid amount at sale or other disposition of the property will remain on the property and become the responsibility of the subsequent owner.

Program Benefits

LACEP is intended to provide multiple benefits, including the potential for reduced utility bills for participating property owners. LACEP also offers a means of financing Improvements with a lower equity contribution than may be required in a conventional financing and establishes a loan obligation that is attached to the property and not to the individual borrower. The financing is intended to be competitive with conventional fixed-rate loans and provide for a streamlined financing and repayment process. All available State, utility or other energy efficiency, water efficiency or renewable energy rebates, incentives and all State and federal tax credits remain available to the property owner in connection with the Improvements (subject to applicable rules, restrictions, regulations and the current status of programs administered by other such entities), unless otherwise specified.

Incorporated cities may participate in LACEP without incurring the costs of forming separate programs because LACEP's geographical boundary is coterminous with the County's boundaries and includes, subject to such cities' approval of participation in LACEP, all 88 incorporated cities. Having a single program available to all residents of the County is anticipated to increase participation by eliminating confusion for residents in finding the appropriate program. Cities may join LACEP by adopting a resolution allowing property owners in their respective jurisdictions to apply for financing and implement Improvements under LACEP.

The Program seeks to mitigate long-term regional greenhouse gas production through the reduction of energy usage from traditional utility sources and help the County and participating cities satisfy the State's greenhouse gas reduction goals under AB 32. When it was signed into law in 2006, AB 32 established statewide goals for the reduction of greenhouse gas emissions and may yet require counties and cities to adopt regional greenhouse gas emission limits similar to the statewide target of achieving 1990 levels of greenhouse gas emissions by 2020. To the extent permitted by law, the County will hold and retain any carbon credits, offsets, carbon cap allocations, or other benefits attributable to the Improvements financed by LACEP. It is the intention of the County to apply any benefits resulting from such carbon credits to the furtherance of LACEP.

LACEP has the potential to provide a significant industry shift in the region towards an energy efficiency, water efficiency and renewable energy economy. LACEP aims to be a catalyst in spurring a new "green" economy in the County by supporting energy project inspection and installation jobs, job training and workforce development, local manufacturing and distribution, research and development, and marketing and outreach.

For the first few years of the Program, American Recovery and Reinvestment Act ("ARRA") grants will be used to partially fund LACEP. By the end of the ARRA funding term in 2012, LACEP seeks to achieve the following goals:

1. Retrofit 15,000 single-family homes with a 20% average energy reduction.
2. Create 1,600 home energy retrofit jobs and 1,000 ancillary jobs.
3. Reduce annual purchased energy consumption in retrofitted homes by an aggregate 150 billion British Thermal Units and \$2 million in utility charges per year.
4. Reduce the County's annual greenhouse gas emissions attributable to energy consumption in its existing housing stock by 20,000 tons of carbon dioxide.

The benefits to both the regional economy and the environment are expected to increase once individual cities join LACEP, as the above forecasts are quantified solely for unincorporated areas of the County.

Program Administration

The Program will be governed by the Board of Supervisors of the County of Los Angeles, which will approve the Program parameters, approve the issuance of bonds, and delegate authority to authorized officers to administer the Program.

The Director of the County's Internal Services Department will serve as the Program Administrator and will provide day-to-day management of the Program, including design, implementation, and administration. The authority to approve and enter into Individual Assessment Contracts will be delegated by the Board of Supervisors to the Program Administrator.

The County Office of Sustainability ("COS"), within the Internal Services Department, and the Program Administrator will manage all Program activities, including, but not limited to, the following:

- Marketing and community outreach;
- Energy surveys and technical support for individual projects;
- Customer service, including question and answer support to interested Program participants;
- Assisting in project development;
- Processing Program applications;
- Managing and tracking funds available for financing Improvements;
- Managing and tracking progress of the Improvements and financing therefor;
- Tracking individual and collective energy and greenhouse gas benefits;
- Integrating LACEP with other County, State, utility and regional rebate/incentive programs;
- Working and coordinating with participating cities and other jurisdictions;
- Providing information on local and regional environmental programs; and
- Reporting progress and expenditures according to mandated reporting methods applicable to appropriated funds, including amounts received pursuant to ARRA.

These activities are intended to provide quality Program design, administration and implementation for qualifying property owners who may otherwise be unable to finance and install the Improvements.

Program Duration

Unless otherwise directed by the Board of Supervisors, the Program will continue as long as there is sufficient demand and funding for the Improvements.

II. PROGRAM REQUIREMENTS

Geographic Parameters and Participating City Requirements

LACEP is available in the unincorporated areas of the County immediately upon establishment of the Program by the Board of Supervisors. Cities within the County may join LACEP and make assessment financing available to qualifying property owners located within their city's boundaries. Anytime after the County's establishment of the Program, a city's legislative body may adopt a resolution requesting inclusion in the County Program. Pursuant to such resolution to participate in the Program, the city will find and declare that the properties in the city's incorporated area will benefit from participation. Further, the city's resolution will authorize the County to set the terms of LACEP, implement the Program, and take action necessary for financing the Improvements.

Participation in LACEP offers cities and their property owners the following advantages:

- An opportunity to save money through energy and water efficiency improvements;
- The ability to take advantage of substantial financial incentives and rebates from multiple sources;
- A financing mechanism that establishes an obligation that remains attached to the property; and
- Job creation and stimulation of the economy.

Cities may elect to withdraw from participation in LACEP by adopting a resolution terminating their involvement. If a participating city elects to withdraw from LACEP, no future assessment financing will be made in that city, but assessment obligations made previous to the city's termination will remain in effect. A map showing the Proposed Program boundaries is attached in Appendix A.

Eligible Owners and Properties

All owners of improved real property within participating areas are eligible to submit an application for LACEP. Qualifying property owners may be individuals, associations, business entities, cooperatives and any owner who pays real property taxes. At this time, financing through LACEP is not available for properties that are not subject to property taxes, such as governmental entities and certain non-profit corporations.

To protect the Program from defaults and to improve access to the capital markets, property owners must meet the following minimum requirements to qualify for financing:

- Property is located within Los Angeles County, and if within the boundaries of a city, the city has adopted a resolution to join the Program;
- Applicant is the legal owner of the property;
- All legal owners of the property agree to participate in the Program;
- The property is not subject to involuntary liens as set forth in the Assessment Contract or any other Program document;
- Property taxes and assessments are current on the property and have not been delinquent for a period up to 5 years (or since the date of the most recent transfer if less than 5 years);
- Property owner certifies that he/she is not in bankruptcy and the property is not an asset in a bankruptcy proceeding;
- Property owner certifies that he/she has not declared bankruptcy within the last 10 years;
- Property owner certifies and demonstrates that he/she is current on his/her mortgage, has not defaulted on the deed(s) of trust and can legally enter into the Program;
- Improvement costs are reasonable to property value. Property must meet a minimum value-to-lien ratio¹;
- Property must meet a positive equity test and not exceed a maximum loan-to-value² ratio; and
- Property is subject to the appropriate jurisdiction's (County, city, or town) permitting and inspections and all other applicable federal, State, and local codes and regulations.

Property owners may submit more than one application for funding under the Program if additional Improvements are desired by the owner. However, all existing criteria must be met at the time of each new application. Valuation of the property will reflect either the assessed value or the market value as determined by using established industry approved methodologies. Costs for the scope of work will be based on contractor estimates, quotes provided by the property owner, and general industry standards. Additional due diligence or underwriting criteria may be required for the financing of large projects.

¹ Value of the property divided by the amount of the contractual assessment.

² Aggregate total of all liens secured by real estate mortgages on the property divided by the value of the property.

The Program Administrator may exercise discretion in determining eligibility and any additional criteria required for financing Improvements. Furthermore, the minimum eligibility requirements provided in this Report are subject to change pursuant to the future financing needs of the Program.

Eligible Improvements

The Program provides property owners the opportunity to take advantage of a wide range of Improvements, subject to the following provisions:

- The Program will only finance distributed generation renewable energy sources and energy efficiency and water efficiency measures that are permanently fixed to the property.
- Property owners who elect to engage in broader retrofit projects (such as residential or nonresidential remodeling) will only be provided financing for costs associated with Improvements available under the Program.
- The Program is intended to finance the replacement of working, inefficient equipment and building materials and the installation of new equipment and building materials that reduce energy consumption (beyond that required by existing, applicable building codes), produce renewable energy, or reduce energy in connection with water usage. The Program will also make financing available for purchasers of residential, commercial or industrial properties who wish to add Improvements after transfer of title is complete.
- Property owners are responsible for the Improvements installed on their property. Property owners must address performance and other system-related issues directly with the installer in accordance with the terms of their contract with the installer. Property owners are responsible for maintenance and repair of the Improvements.

Examples of Improvements available for financing under LACEP are provided in Appendix B.

Eligible Costs

Eligible costs of the Improvements include the cost of surveys and audits, permits³ and inspections, equipment, installation from licensed, approved professionals, and follow-up inspections. Installation costs may include, but are not limited to, energy audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges. A qualified contractor of the property owner's choice can be selected to complete installation of Improvements.

For each property, the Program Administrator will determine whether the estimated equipment and installation costs are reasonable. The Program Administrator will evaluate market conditions and may require the property owner to provide additional bids to determine whether costs are reasonable. While the property owner will be able to choose the contractor of his/her choice, the amount eligible for the LACEP financing may be limited to the amount deemed reasonable by the Program Administrator. Projects that exceed a certain size and dollar amount may be subject to additional review.

III. PROGRAM FINANCING

Strategy to Raise Capital

The County intends to raise capital for the Program through one or more of the following financing arrangements:

- Issuing or causing the issuance of bonds pursuant to Section 5698.28 of the Streets and Highways Code, the principal and interest of which will be repaid from contractual assessments;

³ All Improvements that require permits will be required to obtain such a permit from the local jurisdiction. Final inspection will ensure that the Improvements were completed.

- Advancement of certain County funds or funds held by the County Treasurer and Tax Collector, which will be repaid through contractual assessments or reimbursed from proceeds of a debt issuance;
- Application of funds received pursuant to federal and State programs and available for LACEP financing purposes;
- Issuing debt or entering into loan arrangements to fund the Improvements; and
- Private or owner-arranged financing.

To the extent that the County issues debt, it is expected to include a debt service reserve fund in the amount sufficient to enhance the marketability of the debt. The proceeds of the debt issuance will be applied to cover the costs of Improvements, fund the debt service reserve fund, and pay costs of issuance of the debt. The County may also pursue other financing options not listed above should such options benefit the ongoing viability of the Program.

The Energy Fund

The County will create a special fund, the Energy Fund ("Fund"), which will hold contractual assessments revenues received pursuant to the Assessment Contracts. Moneys in the Fund shall be used to make payments on debt issued by or on behalf of the County, fund certain administrative costs of the Program, replenish the debt service reserve fund, if required, and repay funds advanced by the County. Amounts in the Fund may also be used to finance additional Improvements secured by contractual assessments and any other reasonable activity needed to advance the Program. Payment of the contractual assessments will be made pursuant to Assessment Contracts between the property owner and the County.

Maximum Aggregate Contractual Assessment

The County is authorized to enter into up to \$1.0 billion in aggregate dollar amount of voluntary contractual assessments. The County will coordinate the timing and issuance of debt with the goal of providing the lowest possible interest rate to qualifying property owners and maintaining the long-term financial viability of the Program.

Administrative Costs/Application Fee

The County will offer the Program as an additional County service that will help property owners achieve reductions on their energy bills and other environmental goals, while helping the County achieve its own environmental goals. The County will be responsible for:

- Development and operation of LACEP;
- Acquisition of LACEP financing;
- Overall reporting of Program status and goals, including reports to financing agencies, regulators, and stakeholders;
- Overall structure and enforcement of Program governance; and
- Management and administration of LACEP consultants needed to perform services under the Program.

Certain administrative costs are anticipated in connection with the aforementioned responsibilities. All or a portion of such administrative costs may be financed through the interest component of the contractual assessment. The Program may also assign direct fees or charges to property owners for certain services provided during the process of securing an Assessment Contract. The County will recover a portion of these initial administrative costs through a one-time application fee.

Maximum Disbursement Amounts

The County will set a maximum disbursement amount for individual properties under the Assessment Contract. Where possible, the actual amount disbursed to a participating property owner pursuant to an Assessment Contract will equal the actual cost of Improvements. In the event that the final cost of Improvements exceeds the agreed upon maximum disbursement amount, the property owner will be solely responsible for the payment of excess costs incurred to complete the Improvements.

Single and Multiple Disbursements

Most disbursements will be delivered to property owners in a single payment upon completion of the Improvements. However, upon Program Administrator approval, some projects may qualify for multiple disbursements, which will allow for one or more payments to be made prior to project completion.

Assessment Interest Rate

The County will set a maximum interest rate for individual properties under the Assessment Contract. The final interest rate will be determined such that the total amount of contractual assessment payments (principal and interest) will be sufficient to repay the debt issued to finance the Improvements, pay the financing costs of such debt issuance, finance a debt service reserve fund with respect to such debt and fund eligible administrative costs so that the Program remains financially viable. The County Treasurer and Tax Collector, in conjunction with the Program Administrator, will determine individual contractual assessment interest rates. Under no circumstances will the interest rate exceed the maximum rate allowed by law.

Annual Administrative Assessment; Consultation with County Auditor-Controller

LACEP reserves the right to charge an Annual Administrative Assessment to cover costs incurred by the County for the ordinary and necessary costs of administering the levy and collection of the contractual assessments and all other administrative costs and incidental expenses related to the debt to be issued. Separate from any application fee or administrative cost recovered through amounts paid on the contractual assessment interest rate, the Annual Administrative Assessment will be collected in the same manner as the contractual assessment and may be adjusted annually to reflect changes in costs. The County Auditor-Controller has been consulted regarding any fees resulting from the incorporation of the contractual assessments into the general taxes of the County on real property. It has been determined that any such fees shall be collected pursuant to the Annual Administrative Assessment.

Assessment Term

The term of the contractual assessments will be no greater than the expected useful life of the Improvements for each individual Assessment Contract. In no event will the term of any contractual assessment exceed the maximum term allowed by law. The term of each contractual assessment will be set under the Assessment Contract.

Assessment Collection and Default

The contractual assessments will be collected in the same manner and at the same time as the general property taxes of the County. The contractual assessments are subject to the same penalties, remedies, and lien priorities in the event of delinquency and default. If any contractual assessment becomes delinquent and property taxes remain unpaid, the County shall have the right to initiate foreclosure proceedings on the subject property. The LACEP foreclosure policy will be developed in connection with future financing arrangements and will take into consideration any required covenants associated with a bond issuance.

Rebates and Incentives

Financing through the Program may coincide with current and future distributed generation renewable energy, energy efficiency and water efficiency financial incentives available from utility providers as well as local, State, federal, and other agencies. The value of expected rebates and incentives will be factored into the financing available to the property owner. The Program will advise, and may require that, participants apply for any and all applicable rebates and incentives available at the time of financing. References to rebates and financial incentives in this Report do not include income tax rebates.

Financing Process

The process for property owners to receive financing through LACEP is designed to be helpful, transparent, and straightforward. Presented below are the general procedures for the application, funding, and repayment process:

- **Education.** Property owners may access a variety of resources to learn about the Program, the financing terms, and other details. These resources may include a Program website, service centers staffed to assist property owners, and information made available at community events.
- **Application.** Property owners may apply for a funding reservation from LACEP and pay a non-refundable application fee. Applications must include a proposed project (scope of work) and a contractor bid.
- **Review and Approval.** The Program Administrator will approve an application only after confirming that the applicant and proposed project satisfy the underwriting criteria and other Program requirements.
- **Reservation of Funds.** Once the application is approved, the Program Administrator and the property owner will enter into the Assessment Contract. At this point in time, a maximum disbursement amount, loan term, and maximum interest rate will be set. The property owner will also agree to the terms and conditions of the Assessment Contract. The Program Administrator will provide assessment information to the County and an assessment lien will be filed with the County Registrar-Recorder.
- **Installation.** The property owner will receive a notice to proceed with the Improvements. A qualified installer must complete the installation of authorized Improvements on the property within the required timeframe after receiving the notice. In some cases, the Program Administrator in his/her sole discretion may grant a time extension.
- **Evidence of Compliance/ Disbursement of Funds.** The County is not obligated to disburse funds unless and until each of the requirements set forth under the Assessment Contract are satisfied or waived by the Program Administrator. Upon satisfaction of the above, the Program Administrator will release funds to the property owner in the amount of the actual cost of Improvements, but not exceeding the maximum disbursement amount set forth in the Assessment Contract. At this time, the Program Administrator will notify the property owner of the actual interest rate and amount of the contractual assessment.
- **Repayment.** After the release of funds, the County will place the assessment on the property tax roll for the tax year immediately following the disbursement date. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. Prepayment of the contractual assessment will be permitted, however, penalties may apply. Any applicable penalties resulting from prepayment will be set forth in the Assessment Contract.

Priority of Funding

Applications from property owners for financing will be given priority based on the date on which the application is approved. If a request from a property owner for financing would cause LACEP to exceed the maximum amount of contractual assessments for the Program, then that application will be ineligible for financing. The Program Administrator shall retain the authority to grant exceptions to the priority status of individual applications.

Property Owner Financial Responsibilities

The following types of costs are examples of those that will be the responsibility of the property owner and will not be financed through the Program:

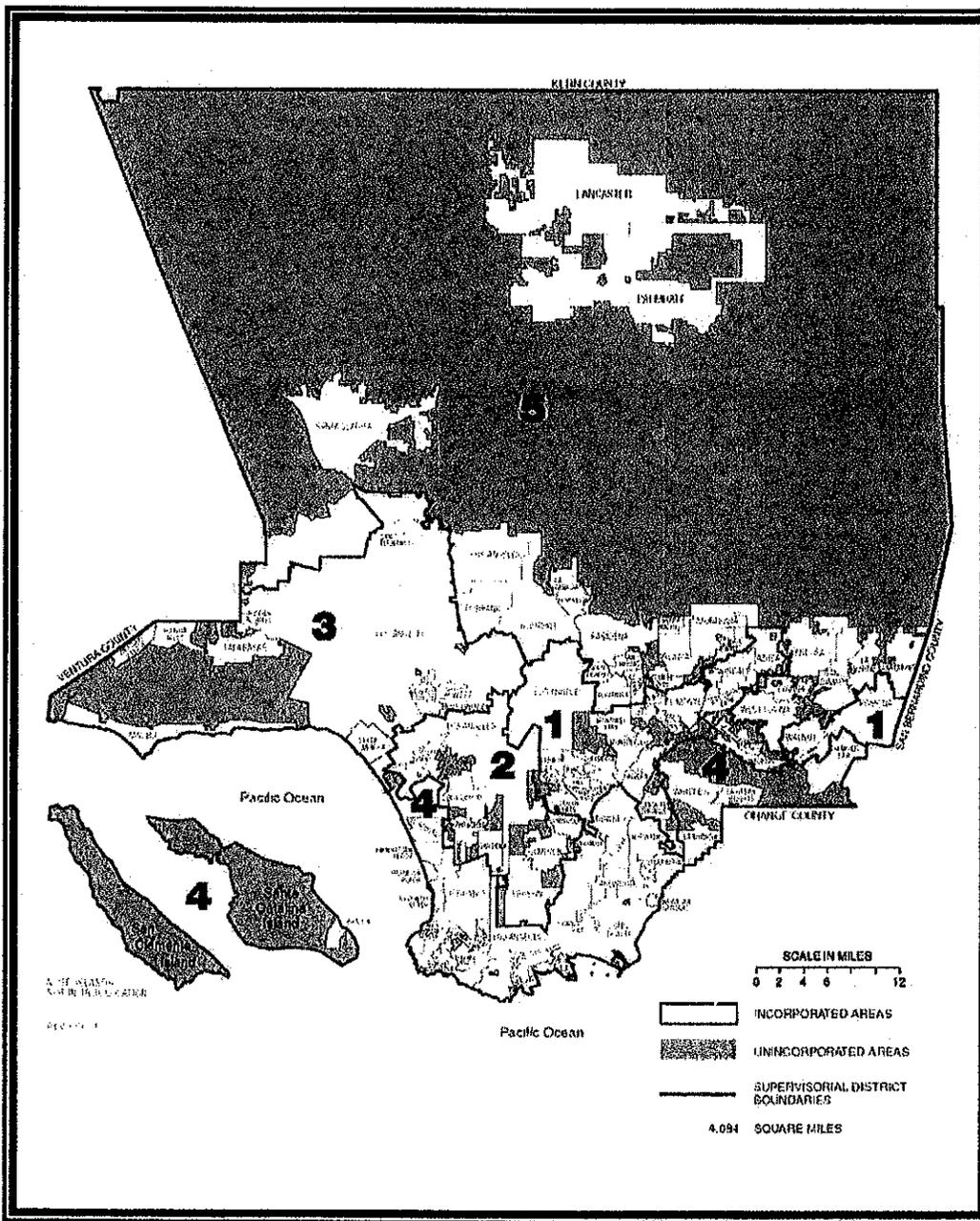
- Application fee;
- If applicable, title insurance and property insurance costs;
- Late payment fees;
- If applicable, costs associated with compliance with the California Environmental Quality Act; and
- Costs associated with repairs and maintenance of the Improvements.

IV. CHANGES TO THE PROGRAM REPORT

The Program Administrator may make changes to this Report that he/she reasonably determines are necessary to clarify its provisions. Any changes made to this Report that materially modify the LACEP shall only be made after approval by the Board of Supervisors.

The Program Administrator may modify the schedule of eligible Improvements attached as Appendix B and the draft Assessment Contract attached as Appendix C as deemed necessary or desirable to effectuate the intent of the Program.

Appendix A: Area Map



Appendix B: Eligible Improvements

Eligible improvements will include, but are not limited to, the following types of Improvements, subject to approval by the Program Administrator:

Energy Efficiency Improvements

- Air sealing
- Duct sealing and weather stripping
- Attic, duct, floor, roof and wall insulation
- Hot water system insulation
- Fans (Bathroom, ceiling, whole house)
- Energy efficient pool pumps
- HVAC systems
- Programmable thermostats and energy management systems
- Light fixtures
- Energy Star cool roof
- Radiant barriers
- Windows, doors, skylights
- Window film

Water Efficiency Improvements

- Hot water heater
- On-demand water recirculation control pump
- High-efficiency toilets and urinals
- Showerheads and aerators
- Smart irrigation/ Water efficient landscaping
- Rainwater harvesting system
- Grey water system

Distributed Generation Renewable Energy Improvements

- Solar hot water heating systems
- Solar thermal installation
- Solar space heating
- Photovoltaic systems
- Wind energy systems
- Fuel cell power systems