

CITY OF PLANO \$SMART ENERGY LOAN PROGRAM
Resident Agreement

I, _____ (print homeowner's full name), hereinafter referred to as the "Recipient," have been selected to participate in the City of Plano's \$smart Energy Loan Program, hereinafter referred to as "Program" and hereby agree to the following with respect to my participation in the program.

A. Scope of the Program

Recipient agrees and understands that the Program provides loans to homeowners for energy-efficiency improvements made to their existing home that improves the home's "Home Energy Rating System (HERS)" rating. The steps to complete the Program are as follows:

1. Recipient must complete an initial application through the City either online or through hard copy.
2. Once eligibility requirements are met, Recipient must apply for a pre-approval loan through Credit Union of Texas, hereinafter referred to as "Lender".
3. Lender will notify Recipient and City of pre-approved status.
4. Recipient coordinates Texas HERO Home Energy Check-up (formally known as Standard Home Audit) pre-improvement audit and decides on project scope of work.
5. Recipient coordinates contractor estimates, selection and provides City required documents.
6. City provides Project Eligibility Letter (PEL) to Recipient and Lender.
7. Recipient completes loan approval requirements.
8. Upon approval notification by Lender, Recipient completes project scope, coordinates post-improvement audit and provide City all required documents.
9. City issues Quality Assurance Certificate (QAC) to Recipient and Lender.
10. Recipient closes loan and Lender issues funding to contractor and Recipient.
11. Recipient begins loan repayment.

Costs that qualify for the loans may include materials and contracted labor as approved by the City of Plano, hereinafter referred to as "City." Recipient understands and agrees that the City must approve the energy-efficiency improvements prior to their installation to qualify for the Program. **The City of Plano charges a 1% fee (based on the final loan amount) at closing for administration of the Smart Energy Loan program. This fee can be included in the loan amount.**

B. Loan Program

The Recipient agrees to pay the auditor/contractor for any costs incurred for improvements outside of the loan and not authorized in writing by the City. The Recipient also understands that the Program is a loan and fully repayable to "Lender".

C. Conditions of Participation in the Program

Recipient agrees to adhere to the following process to qualify for the Program after meeting all eligibility requirements set forth in Exhibit C as listed on the City of Plano's website or at smartenergyloans.com.

1. Select an approved auditor to perform the energy audit.

- a. The City will provide Recipient with an approved list of auditors certified to participate in the Program.
- b. Recipient must use an auditor from the approved list.
- c. Recipient must use the same auditor to verify completion of ALL work on the project (pre-improvement audit, energy efficiency improvements and post-improvement audit) unless otherwise authorized by the City in writing.
- d. Recipient is responsible for comparing pricing for services as auditor's rates may vary.
- e. The City does not warrant any of the products or services installed; or promote the use of one auditor over another.

THE CITY OF PLANO SHALL HAVE NO LIABILITY FOR THE AUDITOR AND/OR CONTRACTOR'S WORK OR NEGLIGENCE. RECIPIENT AGREES TO HOLD HARMLESS, INDEMNIFY, AND RELEASE THE CITY AGAINST ANY CLAIMS, FINES, DAMAGES, PENALTIES, LAWSUITS OR JUDGMENTS ARISING OUT OF THE SMART ENERGY LOAN PROGRAM AND AUDITORS AND/OR CONTRACTOR'S RECOMMENDATIONS OR WORK.

2. Schedule a pre-improvement home energy audit within 30 days of approved eligibility.

- a. The auditor will perform a pre-improvement home energy audit and issue an Improvement Analysis Report including the home's HERS rating for your property.
- b. Before any work is performed or purchases made for improvements, pre-improvement audit must be completed and be approved by the City.
- c. Recipient understands that auditors are not City employees but are private businesses and have taken specific training and obtained certification to perform home energy audits.
- d. If the Recipient is not satisfied with the auditor selected, they must select a new auditor **before** any work is performed including the pre-improvement energy audit. Recipient is required to use the same auditor that performed the pre-improvement energy audit to coordinate the final post-improvement audit.

3. Obtain the pre-improvement home energy audit, Improvement Analysis Report and a quote for recommended improvements from the auditor.

- a. Once Recipient schedules an appointment with the auditor, the auditor will perform a pre-improvement home energy audit at Recipient's home.
- b. Recipient agrees to be responsible for determining auditor's pricing and payment requirements.
- c. The first audit establishes the home baseline rating through "snapshot" of the home's existing energy efficiency.
- d. An average audit is estimated to take between two to four hours to complete
- e. The auditor will come to your home and perform tasks such as measuring doors and windows, checking insulation levels, assessing heating and water heating systems and locating drafts inside your home. The pre-improvement audit report will cover recommended improvements.
- f. The Recipient is responsible for preparing their house for inspection before the auditor arrives by cleaning the fireplace of ashes, providing clear access to the attic and crawlspace and making sure the auditor can easily access doors and windows.
- g. The auditor will give the Recipient two copies of their pre-improvement audit Improvement Analysis Report and may provide a quote regarding improvements that need to be made to make the Recipient's property more energy efficient.
- h. Recipient may select a different *contractor* to estimate and perform the actual improvements if desired.

4. Submit required paperwork within 30 days of receipt to the City for written authorization to proceed.

- a. The Recipient shall send a copy of the pre-improvement home energy report and quote of all selected improvements to the City.
- b. The City will notify the Recipient and auditor or contractor if the recommended improvements and the quote are approved or denied within **14 business days** of receiving the home energy report and estimate for improvements from Recipient.

5. If the improvements are approved in writing by the City, Recipient must complete the project based on approved estimate and begin to make the energy-efficiency improvements exactly as approved no later than 30 days after written authorization.

- a. **ONLY those improvements authorized by the City in writing will be covered by the loan program.** Eligible projects are referenced in

Exhibit C as listed on the City of Plano's website or at smartengeryloans.com.

- b. If Recipient has questions regarding the improvements authorized or what qualifies for the Program, Recipient should contact the City for clarification.

6. Schedule a post-improvement energy audit from the same auditor that completed the pre-improvement energy rating and improvements.

- a. Recipient shall schedule the same auditor to do a post-improvement home energy audit to determine the increase of their home's energy efficiency.
- b. Recipient will sign auditor and/or contractor's invoice to acknowledge that work has been completed. By signing the contractor invoice(s), recipient acknowledges that work is complete and satisfactory.
- c. The Recipient must submit the post-improvement energy audit, the Final Condition Improvement Analysis, the Fuel Summary Report and final invoice to the City for review and approval. The City will issue a QAC to Recipient and Lender.
- d. The Lender will issue a joint check to Recipient and Contractor upon funding the loan.

D. Termination

The Program is subject to available funding and the City reserves the right to terminate the program for any reason on 30 days notice to Recipient.

The Program is also subject to the cooperation of Recipient. Failure of Recipient to adhere to the conditions of this agreement will result in immediate suspension of the Recipient from the Program and termination of the agreement. If Recipient is suspended from the program, the Recipient shall be responsible and liable to the auditor/contractor for all costs incurred for audits and/or improvements.

E. Amendments

This Program agreement or associated timelines are subject to change by the City of Plano without notice.

F. Disclaimer and Indemnification

THE CITY IS NOT A PARTY TO THE CONTRACT BETWEEN RECIPIENT AND AUDITOR/CONTRACTOR. THE CITY AND ITS REPRESENTATIVES ARE SOLELY ENERGY EFFICIENCY PROGRAM ADMINISTRATORS AND AS SUCH ARE REQUIRED TO PROVIDE INFORMATION AND MONITOR COMPLIANCE WITH CITY AND FEDERAL POLICIES AND REGULATIONS IN THE ADMINISTRATION OF THE PROGRAM. ANY INFORMATION PROVIDED BY THE CITY TO RECIPIENT DOES NOT CONSTITUTE LEGAL ADVICE TO RECIPIENT AND IS FOR INFORMATIONAL PURPOSES ONLY. ANY DISPUTES, DISAGREEMENTS, FINES, CLAIMS, OR LAWSUITS

ARISING OUT OF THE PROJECT BETWEEN OWNER AND AUDITOR/CONTRACTOR ARE THE SOLE RESPONSIBILITY OF THE OWNER AND OWNER EXPRESSLY AGREES TO INDEMNIFY, RELEASE, AND HOLD HARMLESS CITY FROM SAME.

RECIPIENT AGREES THAT IT IS HIS/HER RESPONSIBILITY TO SEE THAT THE AUDITOR/CONTRACTOR COMPLETES THE WORK SPECIFIED AND THAT CITY HAS NO RESPONSIBILITY FOR ANY FAULTY OR INCOMPLETE WORK OF THE AUDITOR/CONTRACTOR. RECIPIENT ALSO AGREES THAT HIDDEN OR LATENT CONDITIONS ARE NOT THE RESPONSIBILITY OF THE CITY, NOR IS CITY LIABLE FOR SUCH CONDITIONS. RECIPIENT AGREES TO HOLD HARMLESS, INDEMNIFY, AND RELEASE THE CITY AGAINST ANY CLAIMS, FINES, DAMAGES, PENALTIES, LAWSUITS OR JUDGMENTS ARISING OUT OF THE \$SMART ENERGY LOAN PROGRAM AND AUDITORS AND/OR CONTRACTOR'S RECOMMENDATIONS OR WORK.

G. Federal Requirements

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the Energy Efficiency and Conservation Block Grant (EECBG) Program. The City received money for the Energy Grant and Audit Program from the EECBG Program. Be advised that special terms and conditions may apply to projects funded by the Act such as the following:

- a. Historic Buildings - Depending on the age, location, and historical stature of a facility receiving EECBG funds, potential EECBG projects may be screened to identify any proposed projects that might have an "adverse effect" on a historic property. Recipient shall cooperate with the City to determine if there are any historical property issues.

By signing below, I acknowledge that I have fully read this agreement and understand and agree to the terms contained herein.

DATED this _____ day of _____ 2012.

Recipient

Recipient's Address

Recipient's Phone Number

Recipient's E-mail Address