

Exhibit A**City of Portland, Oregon
Clean Energy Works Oregon, Inc.
Grant Agreement No. _____**

This Grant Agreement (this "Agreement") is entered into by the City of Portland, Oregon, a municipal corporation duly incorporated and operating, having its principal offices at 1221 SW 4th Avenue, Portland, Oregon 97204 ("Portland") and Clean Energy Works Oregon, Inc., an Oregon nonprofit corporation, having its principal offices at 3934 NE Martin Luther King Junior Blvd., Suite 204, Portland, Oregon 97212 ("CEWO"). This Agreement supersedes that certain Grant Agreement No. 32000387 effective as of July 1, 2010 by and between the parties. For purposes of this Agreement, Portland and CEWO may each hereafter be referred to as a "party" and collectively the "parties."

RECITALS

1. The American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 (ARRA) was enacted by the U.S. Congress to create jobs, promote economic recovery and provide investments needed to increase economic efficiency that will provide long-term economic benefits. ARRA was enacted to preserve and create jobs and promote economic recovery, assist those most impacted by the recession, provide investments needed to increase economic efficiency by spurring technological advances in science and health, invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits, stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive State and local tax increases. Recipients shall use grant funds in a manner that maximizes job creation and economic benefit.
2. Since 2008, Portland has worked with local energy utilities, labor and community-based organizations, and the Energy Trust of Oregon to develop a program that provides homeowners with easy access to low-interest financing for energy improvements to their homes. The program responds to the immediate need both to create local jobs and to respond to the rising urgency of climate change.
3. The Clean Energy Works Portland program is a major partnership involving Portland, the Energy Trust of Oregon, Shorebank Enterprise Cascadia, NW Natural, Pacific Power, PGE, Worksystems, Inc., Portland Development Commission and Multnomah County, among others.
4. Portland has been awarded a competitive Energy Efficiency Conservation Development Block Grant ("EECBG") award DE-EE0003565/000 from the U.S. Department of Energy ("DOE"). The \$20 million competitive grant of ARRA funds from DOE is intended to expand

the Clean Energy Works Portland pilot into a statewide program to be called Clean Energy Works Oregon.

5. The EECBG award acknowledges that the funding will help to support the establishment of a new non-profit entity to serve as a platform for aggregating, managing and deploying capital targeted for streamlined energy-efficiency retrofits across Oregon. CEWO has been incorporated as this new non-profit entity. This Agreement contemplates funding CEWO, in accordance with the provisions hereof, with a portion of the EECBG award for purposes of building and meeting the Statement of Project Objectives ("SOPO") attached hereto as Exhibit A and incorporated herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Portland and CEWO agree as follows:

AGREEMENT

I. OBJECTIVES TO BE SATISFIED BY CEWO.

In consideration for the Total Grant Funds to be provided by Portland, CEWO agrees to perform the various tasks and activities and deliver the results set forth in the SOPO, attached hereto as Exhibit A.

II. STANDARD OF PERFORMANCE.

CEWO shall perform all activities and projects in accordance with the requirements set forth in this Agreement and applicable laws and regulations. Furthermore, CEWO shall comply with the requirements of the EECBG award DEE0003565/000 that is the source of the grant funding. A copy of the EECBG grant award has been provided to CEWO by Portland, including the Special Terms and Conditions, a copy of which is attached to and made a part of this Agreement by this reference.

III. PORTLAND RESPONSIBILITIES

Portland will assist CEWO with development and deployment of the strategic platform generally described in the attached SOPO and supplemented by each Project Detail Report (defined below) by (i) attending weekly strategy meetings with CEWO staff including participation in IT platform development and reporting structures and metrics; (ii) driving consumer demand in Portland including providing CEWO with information relevant to targeted

consumer marketing; (iii) providing information and guidance on the reporting metrics, as may be amended and supplemented from time to time, necessary for Portland's compliance with ARRA reporting compliance and conformance; (iv) taking responsibility for certain reporting metrics and compliance to the extent Portland has existing infrastructure and expertise, including assistance with wage and workforce compliance issues to the extent agreed upon by both parties; and (v) such other assistance and support as may be mutually agreed upon by the parties.

IV. GRANT FUNDING

A. Funding and disbursements.

i. Portland will provide CEWO with funding in the amount of up to \$17,807,000.00 (the "Total Grant Funds") to fund CEWO's efforts in performing the tasks and activities set forth in the attached SOPO and as more particularly articulated in each Project Detail Report and Budget (as defined below). Except as otherwise provided in this Agreement, Portland will fund each advance disbursement request for funding under this Agreement (each an "Advance Disbursement Request") within 15 business days after receipt of an Advance Disbursement Request that includes a written report detailing the tasks and activities to be undertaken ("Project Detail Report") and budgeted use of such funds ("Budget") reasonably acceptable to Portland. Each Project Detail Report and Budget shall be in substantially the same form as the September Project Detail Report and Budget attached hereto as Exhibit B. Each Project Detail Report and Budget submitted by CEWO shall be deemed reasonably acceptable to Portland so long as it is substantially in the same form as attached hereto and identifies tasks and uses reasonably anticipated to fulfill or contribute to successful completion of the SOPO.

ii. CEWO will submit requests for draws of grant funds from Portland on a monthly basis, in amounts of up to \$2,000,000 per request. This monthly limitation reflects internal cash availability within the City. Nothing herein shall restrict the frequency of draw requests pursuant to the other terms and conditions set forth in this Agreement, so long as the monthly restriction for City fund availability is not exceeded.

B. Pursuant to the September Advance Disbursement Request and supporting Project Detail Report attached hereto as Exhibit B, Portland shall fund a portion of the Total Grant Funds in an amount equal to \$1,992,054 on September 24, 2010.

C. In addition to and not in lieu of any Project Detail Report, CEWO shall submit its three year strategic plan and project development timeline to Portland by October 31, 2010.

D. If for any reason CEWO receives grant funds under this Agreement and does not use such funds, does not provide required services or does not take the actions required by the Agreement, Portland may, at its option terminate, reduce or suspend any unfunded

Total Grant Funds and may, at its option, require CEWO to immediately refund to Portland the amount improperly expended or received by CEWO.

E. Total Grant Funds provided under this Agreement may be used only to provide the services or take the actions authorized under this Agreement and the DOE terms and conditions under the EECBG, and shall not be used for any other purposes.

F. Reports and invoices.

i. CEWO shall administer all funds provided under this Agreement consistent with the terms of this Agreement. CEWO shall have full responsibility for the financial administration of the grant funds consistent with generally accepted accounting principles (GAAP). The system of accounts employed by CEWO shall be satisfactory to Portland and in accordance with GAAP consistently applied. Responsibilities shall include, but not be limited to: maintenance of loan fund records; submittal of payment vouchers, fiscal forms, and progress reports; compliance with applicable procurement, contracting, and other agreement requirements; and submittal of required performance items. In managing the grant funds, CEWO's efforts shall include: program development; and conducting, coordinating, and scheduling project activities.

ii. CEWO shall submit monthly invoices to Portland specifically and separately indentifying expenditures for the immediately prior month of the grant funds (each a "Reimbursement Invoice") accompanied by a GAAP compliant monthly financial statement within ten (10) business days after the end of each calendar month.

G. CEWO shall maintain records on a current basis, such as vendor receipts and evidence of payment for materials and services and time records, accounting for loan loss reserves, and evidence of payment for program wages, salaries, and benefits, and CEWO services. All such receipts and evidence of payments will promptly be made available to the Portland Project Manager or other designated persons, upon request. Portland, through its Project Manager, shall monitor CEWO's performance of this Agreement to assure contract compliance on both programmatic and fiscal bases. Such monitoring may include, but is not limited to, site visits, telephone interviews, review of CEWO records and review of CEWO reports. The frequency and level of this monitoring will be determined by Portland.

H. If, for any reason, CEWO's anticipated services or actions are terminated, discontinued or interrupted, Portland's payment of funds under this Agreement may be terminated, suspended or reduced.

V. COLLABORATION

In addition to the SOPO and other responsibilities identified in this Agreement, the parties agree to collaborate on issues to support Portland's Climate Action Plan and economic development and housing strategies to the extent aligned with CEWO's mission and business plan, including without limitation and by way of example, engaging utilities on utility meter data access and supply chain development.

VI. ARRA REQUIREMENTS

A. The funding provided by Portland under this Agreement is provided under EECBG Award DE-EE0003565/000 from the DOE through funding under the ARRA. A copy of the EECBG award has been provided to CEWO by Portland. As a condition of receiving ARRA funds under this Agreement, supplemental terms and conditions apply to this Agreement. CEWO must comply with the requirements of the ARRA applicable to the work and services provided under this Agreement to the extent identified in this Agreement or otherwise communicated and directed by Portland. In the event of any variance between the terms and conditions of this Agreement and the requirements of compliance with ARRA and applicable federal administrative regulations promulgated under the Recovery Act, the terms and conditions of the federal requirements and ARRA provisions shall control. CEWO acknowledges that it must incorporate the substance of these ARRA-related terms and conditions in any subgrants or awards of the grant funds provided under this Agreement.

B. Prohibited Use of Grant Funds. No funds provided under this Agreement may be used for any casino or other gambling establishment, aquarium, zoo, golf course or swimming pool.

C. ARRA Publicity. Any publicity regarding this Agreement and the SOPO shall indicate, as may be appropriate, that funding was made possible by a grant from the federal government through ARRA appropriated funds.

D. ARRA Accounts, Records and Inspections:

i. Accounting. ARRA funds used to support work performed under this Agreement, in whole or in part may be used in conjunction with other funding sources as necessary to complete projects. However, tracking and reporting on ARRA funds must be separate to meet the ARRA reporting requirements and OMB Guidance. No part of ARRA funds, as identified by Portland, shall be commingled in deposits or accounts with other funds or used for a purpose other than that of making payments for costs allowable

for Recovery Act projects. CEWO must segregate the obligations and expenditures related to funding under the Recovery Act. CEWO shall implement and revise its financial and accounting systems as necessary to segregate, track and maintain the ARRA funds apart and separate from other revenue streams. CEWO's separate, distinct set of accounts, records, documents, and other evidence must show and support: all allowable costs incurred; collections accruing to CEWO in connection with the work under this Agreement, other applicable credits, negotiated fixed amounts, and fee accruals under this Agreement; and the receipt, use, and disposition of all Government property coming into the possession of CEWO under this Agreement. CEWO is responsible to maintain and may be required to submit backup documentation for all expenditures of funds under the Recovery Act including such items as timecards and invoices. CEWO shall provide copies of backup documentation at the request of Portland.

ii. Inspection and audit of accounts and records. As work performed under this Agreement will be funded, in whole or in part, with ARRA funds, books of account and records relating to this Agreement shall be subject to inspection and audit by Portland, and the Federal Government, or their designees at all reasonable times, before and during the period of retention provided in Subsection VI(R) of this Agreement, and CEWO shall afford Portland or the Federal Government proper facilities for such inspection and audit.

iii. Disposition of records. Except as agreed upon by Portland, the Federal Government and CEWO, all financial and cost reports, books of account and supporting documents, system files, data bases, and other data evidencing costs allowable, collections accruing to CEWO in connection with the work under this Agreement, other applicable credits, and fee accruals under this Agreement, shall be available for inspection by Portland and/or the Federal Government, and shall be delivered to Portland or the Federal Government by CEWO as either may from time to time direct during the progress of the work or, in any event, as Portland shall direct upon completion or termination of this Agreement and final audit of accounts hereunder.

iv. Preservation of Records. Except as otherwise provided in this Agreement, all other records in the possession of CEWO relating to this Agreement shall be preserved and retained by CEWO for a period of 6 years after the later of: termination of this Agreement, or receipt of final payment under this Agreement, or otherwise disposed of in such manner as may be agreed upon in writing by Portland and CEWO.

v. Comptroller General, Inspector General.

1. Pursuant to Section 902 of the Recovery Act, the Comptroller General of the United States and his representatives may: 1) examine CEWO's records and those

of its subcontractors, subrecipients or sub-grantees, that directly pertain to, and involve transactions relating to this Agreement or any subcontracts or sub-grant agreements; and, 2) interview any of CEWO's officers or employees or any of its subcontractors regarding this Agreement.

2. Section 1515(a) of the Recovery Act authorizes any representative of the Inspector General of a relevant Federal agency to: (1) examine any of CEWO's records and any of its subcontractors, subrecipients or sub-grantees that pertain to, and involve transactions relating to this Agreement or any subcontracts or sub-grant agreements; and, (2) interview any of CEWO's officers or employees regarding this Agreement.

vi. Public Access to ARRA Reports. Information about this Agreement will be published on the Internet, including Portland's website, <http://www.portlandonline.com/ARRA> and the federal website, www.recovery.gov, which is maintained by the Federal Recovery Accountability and Transparency Board (the "FRATB"). The federal board may exclude posting contractual or other information on federal website on a case by case basis when necessary to protect national security or to protect information that is not subject to disclosure under sections 552 and 552a of title 5, United States Code.

vii. ARRA Registration Requirements. CEWO will provide Portland with its CCR registration number and legal name as entered into the federal Central Contractor Registration database (<http://www.ccr.gov>).

viii. ARRA Reporting Requirements. Under Section 1512(c) of ARRA, recipients that have received ARRA funding must file reports containing specified data with the federal government "[n]ot less than 10 days after the end of each calendar quarter." CEWO shall cooperate with Portland with respect to the reporting requirements under Section 1512 of the Recovery Act and related federal regulations. Cooperation shall include providing information requested by Portland or by other authorized federal or State authorities related to such reporting requirements. Information from these reports will be made available to the public. CEWO must report the following programmatic information:

- status of the project or activity describing what has been accomplished during reporting period; and
- an estimate of the number and types of jobs created or retained by the project or activity (if CEWO uses vendors, include direct jobs created or retained by vendor and the impact, if any, on its workforce).

CEWO shall report performance results consisting of the number of jobs created and jobs retained as a result of the expenditure of ARRA funds. CEWO further agrees to provide Portland, upon its request, with additional financial and programmatic information as may be required by the Federal Government due to amendments or clarifications by law or regulation. In order for Portland to comply with the requirements of ARRA Sec. 1512(c), CEWO reports shall be submitted to Portland on at least a monthly basis, on or before the fifth (5th) calendar day following the end of each quarter. CEWO's object in preparing reports shall be to submit complete and accurate information for use by Portland. Failure to submit any such report by the fifth (5th) calendar day shall be deemed noncompliance. If any errors are identified in the reports submitted by CEWO, upon CEWO being informed of the error, CEWO shall prepare corrected reports addressing the error, and shall prepare subsequent report to address and correct the error. After notification of the error in writing, any failure by CEWO to prepare corrected, accurate reports shall be deemed noncompliance.

ix. ARRA Corporate Reporting. Pursuant to the regulations promulgated at 2 CFR Part 176, requiring the provision of detailed information identified by the Federal Funding Accountability and Transparency Act of 2006, as amended (the "Transparency Act"), CEWO may be required to provide additional information. This information includes, but is not limited to the items listed below. CEWO shall provide any information required to meet this obligation as requested by Portland.

1. The name of the entity receiving the award;
2. The amount of the award;
3. The transaction type;
4. The funding agency;
5. The Catalog of Federal Domestic Assistance number;
6. The program source;
7. The location of the entity receiving the award, including four data elements for City, State, Congressional district, and country;
8. The location of the primary place of performance under the award, including four data elements for City, State, Congressional district, and country;
9. A unique identifier of the entity receiving the award;
10. A unique identifier of the parent entity of the recipient, should the recipient be owned by another entity; and
11. The names and total compensation of the five most highly compensated officers of the company if it received (1) 80% or more of its annual gross revenues in Federal awards; and (2) \$25M or more in annual gross revenue from Federal awards.

D. ARRA Whistleblower Protection.

i. CEWO shall not discharge, demote, or otherwise discriminate against an employee as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, made to the Recovery Accountability and Transparency Board, an inspector general, the Comptroller General, a member of Congress, a State or Federal regulatory or law enforcement agency, a person with supervisory authority over the employee (or such other person working for the employer who has the authority to investigate, discover or terminate misconduct), a court or grand jury, the head of a Federal agency or their representative, information that the employee reasonably believes is evidence of:

- gross mismanagement of an agency contract or grant relating to covered funds;
- a gross waste of covered funds;
- a substantial and specific danger to public health or safety related to the implementation or use of covered funds;
- an abuse of authority related to the implementation or use of covered funds; or
- a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to covered funds.

ii. Section 153 of the Recovery Act requires that CEWO, as a non-federal employer receiving ARRA funds, must post a notice of ARRA Whistleblower rights and remedies at all Recovery Act job sites. A copy of the notice may be obtained from the federal recovery.gov website:

<http://www.recovery.gov/sites/default/files/Whistleblower+Poster.pdf>

<http://www.google.com/url?q=http%3A%2F%2Fwww.recovery.gov%2Fsites%2Fdefault%2Ffiles%2FWhistleblower%2BPoster.pdf&sa=D&sntz=1&usg=AFQjCNEbcIqubp62zxV2Mr0kspiXunuUNA>

iii. CEWO shall include the substance of this Section V in all subcontracts funded in whole or in part by ARRA funding.

iv. Nonenforceability of Certain Provisions Waiving Rights and remedies or Requiring Arbitration. Except as provided in a collective bargaining agreement, the rights and remedies provided to aggrieved employees by the ARRA Whistleblower

requirement may not be waived by any agreement, policy, form, or condition of employment, including any predispute arbitration agreement. No predispute arbitration agreement shall be valid or enforceable if it requires arbitration of a dispute arising out of the ARRA Whistleblower requirement.

E. ARRA Wage Rates.

i. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA must be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code, as implemented by the Office of Management and Budget, Requirements for Implementing Sections 1512, 1605, and 1606 of the American Recovery and Reinvestment Act of 2009 for Financial Assistance Awards, 74 Fed Reg 18449, 18643 (April 23, 2009).

ii. CEWO acknowledges that all laborers and mechanics working on projects funded in whole or in part by ARRA funds provided under this Agreement will be paid in compliance with the ARRA requirements and federal regulations. A copy of the wage determination and a Davis-Bacon poster shall be posted at job sites in a prominent and accessible place where it can be easily seen by workers.

iii. Contractors or subcontractors that disregard their obligations to employees, or to have committed aggravated or willful violations while performing work on Davis-Bacon covered projects, may be subject to contract termination and debarment from future contracts for up to three years. In addition, contract payments may be withheld in sufficient amounts to satisfy liabilities for unpaid wages and liquidated damages that result from violations of the Davis Bacon requirement. Contractors and subcontractors may challenge determinations of violations and debarment before an Administrative Law Judge (ALJ). Contractors and subcontractors may appeal decisions by ALJ's with the Department of Labor's Administrative Review Board. Final Board determinations on violations may be appealed to and are enforceable through the federal courts. Falsification of certified payroll records or the required kickback of wages may subject a contractor or subcontractor to civil or criminal prosecution, the penalty for which may be fines and/or imprisonment.

F. ARRA Buy American Requirements.

i. General Requirement. Section 1605 of the American Recovery and Reinvestment Act of 2009 (ARRA), prohibits the use of funds appropriated for the construction, alteration, maintenance, or repair of a public building or public work unless

all of the iron, steel, and manufactured goods used in the project are produced in the United States (the "Buy American Requirement"). Federal regulations implementing the Buy American Requirement may be found in the Federal Register, Vol. 74, No. 77 (April 23, 2009), 2 CFR Part 176, § 176.60, *et seq.*

ii. Exceptions. The ARRA exempts the following from the Buy American Requirement:

1. Production in the United States of the iron or steel used in the project requires that all manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives. (2 CFR § 176.70(a)(2)(i).)

2. There is no requirement with regard to the origin of components or subcomponents in manufactured goods used in the Project, as long as the manufacturing occurs in the United States. (2 CFR § 176.70(a)(2)(ii).)

iii. Waivers. Unless otherwise specifically noted in this Agreement, contractors shall bid and perform the energy retrofit work assuming the applicability of the Buy American Requirement. The Federal department or agency granting the ARRA funds for this Project may waive the Buy American Requirement only upon a finding that:

1. applying the Buy American requirement would be inconsistent with the public interest (2 CFR §176.80(a)(1));

2. iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality (2 CFR § 176(a)(2)); or,

3. inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent (2 CFR §176(a)(3)).

Application for a waiver under the ARRA Buy American Requirement may only be made by Portland as the recipient of ARRA funds. In the event during the course of this Agreement, CEWO believes there to be proper basis for a waiver, CEWO may submit a request for a waiver to the Portland Representative. The request shall include copies of all documentation verifying the unavailability of the material or product, and/or

justification of the application for a waiver. Only the Federal funding agency may grant the application. Unless the conditions upon which the request is based were unforeseeable at the time of bid, any delay to the completion of the project caused by the application for a waiver shall be considered an avoidable delay by CEWO.

G. False Claims. Contractor shall promptly refer to Portland for transmission to the funding federal agency or other appropriate Inspector General any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor or other person has submitted a false claim under the federal False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct involving those funds.

H. Sub-awards. CEWO shall ensure that the performances rendered under all sub-awards of any ARRA-related funds provided under this Agreement shall be rendered so as to comply with all the terms and provisions of this Agreement as if the performances rendered were rendered by CEWO. In entering into any subsequent awards or sub-grant, CEWO shall, in addition to other requirements specified in this Agreement:

i. Remain liable for the performance of the terms, conditions, and exhibits of this Agreement.

ii. Provide to Portland, within fifteen (15) days of contract execution, all sub-grantee names, addresses, telephone numbers, contact persons, contract amounts, and program description of each sub-grant to Agreement.

iii. Require that sub-grantees make documents, papers, and records relevant to the work performed available to CEWO or DOE, or their duly authorized representative for examination, copying, or mechanical reproduction.

iv. Require each sub-grantee to be subject to the examination and audit of records related to the sub-grant award of ARRA-related funds, and shall require all sub-grantees to retain all financial records, supporting documents, statistical records, evaluation data, program performance data, member information and personnel records related to the sub-grant for a period of five (5) years after:

1. The submission of the sub-grantee's final expenditure report for the program; and

2. The resolution of any litigation, claim, negotiation, audit or other action involving those records, if such resolution is after the submission of the sub-grantee's final expenditure report for the program.

3. Notify Portland in writing within thirty (30) days if CEWO suspends or terminates any sub-grant. Additionally, in such notice, CEWO shall identify how the suspension or termination may impact the CEWO's compliance with its requirements under this Agreement, in terms of budget and SOPO.

v. Provide written notice to each sub-grantee within seven (7) days from the date Portland terminates or suspends this Agreement.

I. Lobbying Restrictions. By accepting funds under this Agreement, CEWO agrees that none of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation. CEWO agrees that no portion of federal grant funds will be used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. Recipient shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of federal grant funds for litigation against the United States. Pursuant to Section 18 of the Lobbying Disclosure Act, CEWO affirms that it is not a nonprofit organization described in Section 501(c) (4) of the Internal Revenue Code of 1986; or that it is a nonprofit organization described in Section 501(c) (4) of the Code but does not and will not engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act. CEWO shall execute the Lobbying and Litigation Certificate, attached hereto as Exhibit C, and submit it to Portland on or before December 31, 2013.

J. ARRA Indemnification. CEWO shall be solely liable for any breach by CEWO of federal statutes, rules, program requirements and grant provisions applicable to ARRA funds provided to CEWO under this Agreement (the "ARRA Requirements") to the extent that Portland has informed CEWO on such applicable ARRA Requirements. If Portland is required to return, reimburse or otherwise pay any ARRA funds to the State or the federal government related to or arising from CEWO's breach of any such ARRA Requirements, to the extent that Portland has informed CEWO on such applicable ARRA Requirements, CEWO shall hold harmless and indemnify Portland for amounts equal to the ARRA funds that Portland is required to pay to the State or the federal government. CEWO further understands and agrees that it shall be liable for any costs disallowed pursuant to any financial or compliance audit(s) of CEWO regarding this Agreement. CEWO further understands and agrees that reimbursement of such disallowed costs shall

be paid by CEWO from funds that were not provided or otherwise made available to CEWO pursuant to this Agreement or any other federal contract.

K. Effect of Changes in Federal and State Laws. Any alterations, additions, or deletions to this Agreement's terms that are required by the changes in federal and state laws or regulations are automatically incorporated into this without written amendment to this Agreement and shall become effective on the date designated by such law or regulation. The Recovery Accountability and Transparency Board periodically publishes Information Bulletins to release, update, amend or clarify grants and programs which it administers. Information regarding releases and information regarding ARRA funds can be accessed at <http://www.recovery.gov/> and are incorporated by reference into this Agreement as if set forth herein.

VII. GENERAL GRANT PROVISIONS

A. Indemnification. CEWO shall hold harmless, defend and indemnify Portland, its officers, agents and employees (collectively, the "Indemnified Party"), against all losses, damages, liability, claims, demands, actions, suits, costs, expenses and judgments (including court and appeal costs, and attorney fees and costs) to the extent arising directly or indirectly related to negligent or willful acts, errors or omissions of CEWO or its officers, agents or employees in the performance of the services, activities or work conducted pursuant to this Agreement. The obligation to provide indemnification will not extend to any of the Indemnified Party's own (a) negligent, intentional, or wrongful acts or omissions, or (b) breach or failure of performance under the Agreement. The indemnification obligation stated herein will survive the termination or expiration of the Agreement. CEWO will be notified promptly in writing by Portland of any notice of such claim which CEWO shall defend with counsel of its own choosing. No settlement or compromise of any such claims will be done without the respective prior written approval of Portland. CEWO and its agents, contractors and others shall consult and cooperate with Portland while conducting its defense. Subject to the limitations of Oregon laws, including but not limited to the Oregon Tort Claims Act and the Oregon Constitution, Portland shall indemnify CEWO from and against all liability, loss and costs arising out of or resulting from the negligent or intentional wrongful acts of Portland, its officers, employees and duly authorized agents in the performance of Portland's duties and responsibilities as set forth in this Agreement.

B. Indemnification for Patent/Copyright Infringement. CEWO will hold harmless, indemnify and defend the Indemnified Party, from and against any claimed action, cause or demand brought against Portland, where such action is based on the claim that information supplied by CEWO or its employees, officers or agents infringes any patent or copyright. CEWO will be notified promptly in writing by Portland of any notice of such claim which CEWO shall defend with counsel of its own choosing. No settlement

or compromise of any such claims will be done without the respective prior written approval of Portland. CEWO and its agents, contractors and others shall consult and cooperate with Portland while conducting its defense.

C. Insurance.

i. Commercial Liability Insurance. CEWO will maintain commercial general liability coverage for bodily injury, personal injury and property damage, with limits per occurrence of not less than:

1. One Million Dollars (\$1,000,000) for bodily injury or death to each person;
2. One Million Dollars (\$1,000,000) for property damage resulting from any one accident; and,
3. One Million Dollars (\$1,000,000) for all other types of liability.
4. Commercial automobile liability for owned, non-owned and hired vehicles with a limit of One Million Dollars (\$1,000,000) for each person and Two Million Dollars (\$2,000,000) for each accident.
5. Comprehensive form premises-operations, explosions and collapse hazard and underground hazard with limits of not less than One Million Dollars (\$1,000,000), which may be included in the general liability policy.
6. specialized forms specific to the industry of CEWO will be deemed equivalent provided coverage is no more restrictive than would be provided under a standard commercial general liability policy, including contractual liability coverage.

ii. Workers' Compensation Coverage. Throughout the duration of this Agreement, CEWO will comply with the workers' compensation law, ORS Chapter 656, as it may be amended, and if workers' compensation insurance is required by ORS Chapter 656, CEWO shall maintain coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the City Auditor.

iii. Professional Liability Insurance. CEWO will maintain professional liability insurance or professional errors and omissions coverage appropriate to the nature of CEWO's business operations. The coverage will have a limit of not less than One Million Dollars (\$1,000,000) per occurrence. The coverage will apply to liability for a professional error, act or omission arising out of CEWO's services under this Agreement. The coverage will not exclude bodily injury or property damage. The coverage will not exclude hazards related to the work rendered as part of this Agreement or within the scope of CEWO's services under this Agreement, including testing, monitoring, measuring operations or laboratory analysis where such services are rendered under this Agreement.

iv. Miscellaneous Insurance Provisions. CEWO's insurance shall protect CEWO and Portland, as well as Portland's officers, agents, and employees. The limits of the insurance shall be subject to any changes as to maximum statutory limits of liability imposed on municipalities of the State of Oregon during the term of this Agreement. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds Portland and its officers, agents, and employees.

v. CEWO's liability insurance provisions will be primary with respect to any insurance or self-insurance programs covering Portland, its elected and appointed officers, officials, employees and agents. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage must apply as to claims between insureds on the policy.

vi. CEWO's commercial general liability insurance and automobile liability insurance will contain no special limitations on the scope of protection afforded to Portland as an additional insured.

vii. Any failure to comply with reporting provisions of the policies will not affect coverage provided to Portland, its officers, officials, employees or agents.

viii. CEWO will include all subcontractors as insureds under its policies or will furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors will be subject to all of the requirements stated in these provisions.

ix. The insurance limits mandated for any insurance coverage required by this Agreement are not intended to be an indication of exposure, nor are they limitations on indemnification.

- x. CEWO will maintain all required policies in force from the time this Agreement becomes effective until such time as the Agreement is terminated or expires. If CEWO's liability coverage is written as claims made policy, then CEWO must evidence the purchase on an extended reporting period or tailor coverage for a three year period after completion of the services.
- xi. CEWO will place insurance with insurers licensed to do business in the State of Oregon and having A.M. Best Company ratings of no less than A-VII, with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re insurers licensed in the State of Oregon.
- xii. CEWO will furnish Portland with properly executed certificates of insurance or a signed policy endorsement which will clearly evidence all insurance required in this Section VI(D) within 10 days after the effective date of this Agreement. The certificate will, at a minimum, list limits of liability and coverage. CEWO shall maintain on file with the City Auditor a certificate of insurance certifying various insurance requirements required above. The adequacy of the insurance shall be subject to the approval of the City Attorney. Failure to maintain required insurance may be cause for immediate termination of this Agreement.
- xiii. Each such insurance policy shall contain the following endorsement physically attached to the certificate of insurance: "It is hereby understood and agreed that this policy may not be canceled nor the intention not to renew be stated until thirty (30) days after receipt by the City of Portland, by registered mail, of a written notice of such intent to cancel or not to renew." Any certificate or endorsement limiting or negating the insurer's obligation to notify Portland of cancellation or changes must be amended so as not to negate the intent of this provision. If the insurance is canceled or materially altered within the term of this Agreement, CEWO shall provide a replacement policy with the same terms. CEWO agrees to maintain continuous uninterrupted coverage, in the terms and amounts required, for the duration of this Agreement.
- xiv. In the alternative to providing a certificate of insurance to Portland certifying liability insurance coverage as required in this Section VI(D), CEWO may provide Portland with an Annual statement regarding its self-insurance. CEWO's self-insurance shall provide at least the same amount and scope of coverage for CEWO and Portland, its officers, agents and employees, as otherwise required under this Section VI(D). The adequacy of such self-insurance shall be subject to the City Attorney's review and approval. Upon CEWO's election to provide self-insurance coverage under this Section VI(D), any failure by CEWO to maintain adequate self-insurance shall be cause for Portland to terminate this Agreement.

D. Contractors And Assignment.

i. CEWO shall not assign this Agreement in whole or in part or any right or obligation hereunder, without prior written approval of Portland. If CEWO utilizes contractors to complete its work under this Agreement, in whole or in part, CEWO shall require any of its contractors to agree, as to the portion contracted, to fulfill all obligations of the Agreement as specified in this Agreement. However, CEWO shall remain obligated for full performance hereunder, and Portland shall incur no obligation other than its obligations to CEWO hereunder. CEWO agrees that if CEWO's contractors are employed in the performance of this Agreement, CEWO and its contractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation. CEWO's contractors shall be responsible for adhering to all applicable local, state and federal laws and regulations.

ii. In no event shall CEWO be relieved of the responsibility for ensuring that performance under all subcontracts or sub-grants comply with the ARRA-related requirements under this Agreement. Portland's approval of any assignment or subcontract under this Section does not constitute adoption, ratification or acceptance of CEWO's or the subcontractor or sub-grantee's performance.

E. Independent Status. CEWO is independent of Portland and CEWO and will be responsible for any federal, state, or local taxes and fees applicable to payments hereunder. CEWO and its contractors and employees are not employees of Portland and are not eligible for any benefits through Portland, including without limitation, federal social security, health benefits, workers' compensation, unemployment compensation, and retirement benefits.

F. Notices. For purposes of administering this Agreement, and providing notices, Portland and CEWO will each have a designated representative. A party may change its representative upon providing written notice to the other party. The parties' representatives are as follows:

Portland's Representative:

Andria Jacob
Bureau of Planning & Sustainability
City of Portland
721 NW 9th Avenue, Suite 195
Portland, OR 97209-3447
(503) 823-7616
e-mail: Andria.Jacob@ci.portland.or.us

CEWO's Representative:

Derek Smith
CEO
Clean Energy Works Oregon
3934 NE Martin Luther King Junior Blvd., Suite
204
Portland, OR 97212
(503) 201-5157
Email: Derek@cleanenergyworksoregon.org

Any notice provided for under this Agreement shall be effective if in writing and (1) delivered personally to the addressee or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, (2) sent by overnight or commercial air courier (such as Federal Express), (3) sent by facsimile transmission, with the original to follow by regular mail; or, (4) sent by electronic mail with confirming record of delivery confirmation through electronic mail return-receipt, or by confirmation that the electronic mail was accessed, downloaded, or printed. Notice will be deemed to have been adequately given three days following the date of mailing, or immediately if personally served. For service by facsimile or by electronic mail, service will be deemed effective at the beginning of the next working day.

G. Project Managers.

i. Portland's Representative as identified in Section VI.F above will serve as its project manager (the "Portland Project Manager") with responsibility to receive information and to respond on behalf of Portland and authority to bind Portland for all matters relating to this Agreement. All reports, notices and other communications directed to Portland, required under or relating to this Agreement shall be directed to the Portland Project Manager. The Project Manager is also authorized to determine if CEWO has failed to substantially comply with the requirements of this Agreement and to act on behalf of Portland to suspend or terminate this Agreement.

ii. CEWO's Representative as identified in Section VI.F above will serve as its project manager (the "CEWO Project Manager"). All reports, notices, and other communications directed to CEWO as required or relating to this Agreement shall be directed to the CEWO Project Manager

H. Termination for Cause. If, through any cause, CEWO shall fail to fulfill in timely and proper manner its obligations under this Agreement, or if CEWO shall violate any of the covenants, agreements, or stipulations of this Agreement, Portland shall have the right to terminate this Agreement by giving written notice to CEWO of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination.

i. During the 30 day period Portland is under no obligation to continue providing grant funds and CEWO is not authorized to perform services or take actions that would require Portland to pay additional grant funds to CEWO.

ii. During the 30 day period, CEWO shall not spend unused grant funds.

iii. In the event of a termination for cause, all finished or unfinished documents, data, studies, and reports prepared by CEWO under this Agreement shall, at the option of Portland, become the property of Portland and CEWO shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents up until the time of notice of termination.

I. Termination by Agreement or for Convenience. Portland and CEWO may terminate this Agreement at any time by mutual written agreement. Alternatively, Portland may, upon thirty (30) days written notice, terminate this agreement for any reason deemed appropriate in its sole discretion. If the Agreement is terminated as provided in this paragraph CEWO shall return any grant funds that would have been used to provide services after the effective date of termination.

J. Oregon Laws and Forum. This Agreement shall be construed according to the laws of the State of Oregon, without regard to its provisions regarding conflict of laws. Any litigation between Portland and CEWO arising under this Agreement or out of work performed under this Agreement shall occur, if in the state courts, in the Multnomah County court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the State of Oregon.

K. Compliance With Laws. In connection with its activities under this Agreement, CEWO shall comply with all applicable federal, state, and local laws and regulations.

L. Severability. If any provision of this Agreement is found to be illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the provision shall be stricken.

M. Integration. This Agreement, including any attachments, constitutes the entire agreement of the parties regarding the subject matter of the Agreement and is an attempt to integrate all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter into one document. There is no other agreement, promise or inducement for this Agreement other than as expressed in this Agreement. There are no other representations, warranties, statements or agreements between the parties except as expressly set forth in this Agreement.

N. Amendment. The Director of the Bureau of Planning and Sustainability of the City of Portland ("the Director") on behalf of Portland and the Chief Executive Officer of CEWO may, by mutual agreement, amend the deliverables and due dates identified in the SOPO and approved Project Detail Reports provided such changes do not increase the Portland's financial obligation or risk. If acceptable to Portland and CEWO, such changes shall be incorporated into a formal grant agreement amendment and signed by

CEWO and the Director before such changes are effective. Any increase in the amount of the Total Grant Funds must be approved by the Portland City Council unless the Portland City Council delegated authority to amend the amount of the Total Grant Funds to a specific individual in the ordinance authorizing the grant.

O. Third Party Beneficiaries. Except as expressly provided in this Agreement, there are no third party beneficiaries to this Agreement. The terms and conditions of this Agreement may only be enforced by the parties.

P. Survival. As of the date of termination or expiration of this Agreement, any pre-existing unresolved claim or dispute by either party, including but not limited to money owed, performance due, or any other obligations of the parties, that is the result of the other party's performance or non-performance, will, by their terms, survive termination of this Agreement and will be resolved in accordance with the terms and conditions of this Agreement. All indemnity, confidentiality, warranty, records retention, unperformed and otherwise continuing obligations will survive termination or expiration of this Agreement. CEWO's obligations regarding treatment of the loan funds will also survive termination or expiration of this Agreement.

Q. Electronic Transactions. Portland and CEWO agree that all obligations under this Agreement, including any contract amendments, may be performed by electronic means, including the use of electronic signatures.

R. Term of Grant. This Agreement will be effective upon the date of the last signature by a party. This Agreement will terminate on December 31, 2013. In no event will the Agreement become effective unless and until it is approved and executed by the duly authorized representative of the parties.

S. Headings. Headings and captions of this Agreement's sections and paragraphs are only for convenience and reference. These headings and captions shall not affect or modify this Agreement's terms or be used to interpret or assist in the construction of this Agreement.

T. Notice of Litigation and Claims. CEWO shall give Portland notice in writing, as soon as is reasonable, of:

i. any action, including any proceeding before an administrative agency, filed against CEWO arising out of, or related to, the performance of any subcontract under this Agreement; and

ii. any claim against CEWO, the cost and expense of which CEWO may assert that it is entitled to be reimbursed by ARRA grant programs.

Except as otherwise directed by Portland, CEWO shall furnish copies to Portland of pleadings and other documentation respecting such action or claim.

U. Changes in Personnel. CEWO shall notify Portland within ten (10) working days of the occurrence of any change in CEWO's key personnel assigned to the Project, significant changes affecting CEWO's identity (such as name, governing structure or organization ownership or control, name change, governing board membership), any voluntary or involuntary actions in bankruptcy, or any criminal or civil allegations or actions by or against CEWO.

V. Closing the Grant. CEWO acknowledges that it must have expended all grant funds and submitted expenditure reimbursement requests and any invoices by the end of the performance period listed in Portland's DOE EECBG Grant Agreement. Portland will close this Agreement after receiving CEWO's final expenditure report indicating that all approved work has been completed and all funds have been disbursed, completing a review to confirm the accuracy of the reported information, and reconciling actual costs to awards modifications and payments. If the close out review and reconciliation indicates that CEWO is owed additional funds, Portland will send the final payment automatically to CEWO.

[Signatures on Following Page]

CITY OF PORTLAND, OREGON

CLEAN ENERGY WORKS OREGON, INC.

By: _____

By: _____

Name: Mayor Sam Adams

Name: Derek Smith

Title: Mayor, City of Portland, Oregon


Title: Chief Executive Officer

Dated: _____

Dated: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM



 Linda Menzies CITY ATTORNEY
 8/31/2010

Exhibit A: Statement of Project Objectives (SOPO)

Exhibit B: Draw Request and Project Detail Report

Exhibit C: Lobbying and Litigation Certification

EXHIBIT A**Statement of Project Objectives****A. PROJECT OBJECTIVES**

Clean Energy Works Oregon (CEWO) is a public-private partnership that delivers high-quality job creation, energy savings and carbon reductions through energy-efficiency retrofits across multiple building types. CEWO brings together compelling marketing, simplified financing, on-utility-bill repayment and streamlined service delivery to drive quick uptake. The effort leverages the resources of Oregon's leading energy efficiency institutions as well as private and public capital to create a scalable, replicable model that contributes to the transformation of energy-efficiency finance markets.

Clean Energy Works Oregon intends to deliver the following over the three-year grant period:

- 1,300 jobs created or retained
- 6,000 home energy retrofits
- 3.5 million square feet of commercial buildings retrofit
- energy savings of more than 300,000 MBTUs
- measure-life carbon dioxide reductions of 200,000 metric tons

B. PROJECT SCOPE

- Launch CEWO as an expansion of the Clean Energy Works Portland pilot model throughout the Portland metropolitan area by partnering with Clackamas County, Gresham, Hillsboro and Lake Oswego, and by adapting and refining basic program elements (funding structure, service delivery, marketing and outreach, and workforce development).
- Deploy the CEWO model in targeted rural communities in Oregon, including Astoria, Hood River and South Central Oregon Economic Development District.
- Establish a new non-profit organization to implement CEWO by aggregating capital, standardizing loan products, establishing high standards for service delivery, and acting as a single point of contact for jurisdictions, utilities and financial institutions.
- Collaborate with Energy Trust of Oregon and Oregon Department of Energy (ODOE) to align CEWO with the statutory framework established by the Energy Efficiency and Sustainable Technology Act (2009).
- Collaborate with ODOE to align Retrofit Ramp-up dollars with ODOE's emerging large commercial retrofit program; integrate Portland of Eugene's Downtown Energy Retrofit Program.
- Continue active collaboration with investor-owned utilities (NW Natural, Pacific Power, Portland General Electric), financial institutions (including ShoreBank Enterprise Cascadia), Energy Trust of Oregon, Green For All, local governments, workforce investment boards, community groups and others.
- Integrate small commercial retrofits as residential capacity is solidified.

- Establish workforce strategies that build off Portland's Community Workforce Agreement.

C. TASKS TO BE PERFORMED

Task 1.0 Create New Non-profit Organization to Implement CEWO Program

- Establish a new non-profit organization whose initial purpose is to meet the performance targets of the United States Department of Energy grant.
- This organization will serve as a platform for aggregating, managing and deploying capital targeted for streamlined energy-efficiency retrofits across Oregon. These activities include driving demand, building capacity, ensuring quality control and interacting with secondary market buyers.
- Contract with this organization to implement key components of the CEWO program and to coordinate the participation of local governments, utilities, financial institutions, community organizations and others.
- Governance and advisory structures will reflect key CEWO partners and stakeholders.

Task 2.0 Establish Financing and Funding Mechanisms

Subtask 2.1 – Expand unified energy-efficiency loan origination fund and on-bill utility repayment mechanism for residential retrofit projects to create a conforming loan product that enables access to secondary market buyers.

- Participants can access low-interest financing for energy improvements paid back on utility bills and secured as necessary through property tax assessments.

Subtask 2.2 – Access secondary market for residential energy-efficiency loans.

- Aggregate and securitize conforming residential energy-efficiency loans and arrange their sale to secondary financial markets.
- Leverage resources of foundations, local and state governments, and other impact investors as initial secondary markets with the ultimate intent to engage commercial banks, private entities, and institutional investors.

Subtask 2.3 – Establish credit enhancement for residential projects.

- To facilitate secondary market sales, credit enhancements will be provided to purchasers of securities. These enhancements are estimated to cover 10% of the overall value of the underlying loans in each security.
- Likely credit enhancements include, but are not limited to, the obligation of dollars in escrow as a loan loss reserve.

Subtask 2.4 – Establish structured finance offering for large commercial retrofit projects.

- Collaborate with ODOE to support ODOE's emerging commercial retrofit financing program and leverage Retrofit Ramp-Up funds with additional State of Oregon resources.

Subtask 2.5 – Develop a small commercial offering that incorporates an on-bill repayment option and other key elements of the residential program.

Task 3.0 Implement Marketing and Outreach Program for CEWO

Subtask 3.1 – Integrate a consumer-based market segmentation approach into the deployment of the most effective outreach tools utilized in the pilot program.

- Launch coordinated campaign that uses social marketing, neighbor peer pressure, e-mail, direct mail, advertising, event sponsorship, utility bill inserts, continued word of mouth, and earned media to saturate target communities with CEWO messaging.

Subtask 3.2 – Develop uniquely effective messaging strategies that ensure broad, quick adoption rates.

Subtask 3.3 – Execute broader neighborhood-based outreach program to secure residential participation.

- Enlist the organizing capacity of community organizations to reach participants through existing affinity networks.

Subtask 3.4 – Create centralized web portal for all interested consumers across jurisdictions.

Task 4.0 Create Unified Service Delivery Platform

Subtask 4.1 – Refine service delivery model using key elements tested in pilot program, including pre-qualification, home energy assessments, Energy Advocates (EAs), financing, and measure installation.

Subtask 4.2 – Offer EAs to program participants.

- EAs serve as personal resources to educate homeowners on the retrofit process, interpret technical information, and inform about energy use.
- EAs also assist contractors in collecting data during Home Performance assessments.
- Through EA services, verified energy savings information will be analyzed and communicated to building owners and tenants.

Subtask 4.3 – Develop one-stop-shop solutions for “pre-weatherization” challenges, including knob and tube wiring, asbestos siding, lead abatement and roofing issues.

Subtask 4.4 – Integrate CEWO with related Energy Trust of Oregon, ODOE and utility offerings to enable access to a full range of incentives available for building efficiency retrofits.

- Homeowners and building owners who ultimately elect not to complete their retrofit projects using the CEWO financing product(s) will be seamlessly transferred into complementary program offerings from the Energy Trust, ODOE and utilities. These other programs will integrate reciprocal pathways to connect candidate projects with CEWO products.

Task 5.0 Develop and Expand Workforce Development Programs

- Build on pilot Community Workforce Agreement work standards and community benefits to deliver highly skilled workforce and quality jobs.

- Develop training resources and qualify training programs that value pre-apprenticeship programs and offer mentoring, monitoring and support.
- Ensure economic opportunities for historically underutilized businesses and historically underserved populations, including low-income residents, people of color and women.

Task 6.0 Ensure Project Monitoring and Verification

- Compile and analyze energy usage and performance data on a regular basis to assess program efficacy and results.
- Continue to partner with the Energy Trust of Oregon and utilities to perform ongoing utility bill analysis to capture usage and performance data of participating homes.
- Integrate supporting tools and policies into CEWO, including smart metering and energy performance scores.

Task 7.0 Ensure Project Management and Reporting

- Track outcomes and expenditures; ensure project is attaining goals and objectives within projected timeframe.
- Provide reports and related deliverables in accordance with Federal Assistance Reporting Checklist under the American Recovery and Reinvestment Act.
- Attend DOE Retrofit Ramp-up workshops and regional travel within Oregon to conduct trainings for contractors, local program coordinators, and candidate building owners.

EXHIBIT B

Clean Energy Works Oregon

Project Detail Report

September 2010

Covering Oct.-Nov. 2010 expenses: Launch preparation and "phase 6" support

Beyond regular expenses (e.g., salary, rent, audit/legal fees), we plan to spend our advance disbursement as follows. For ease of translation, this narrative is explained in broader categories than those in the budget detail document.

Finance

We are targeting \$600,000 in direct loan origination to support Clean Energy Works Portland "phase 6" efforts. In addition, \$36,000 will go to Enterprise Cascadia for servicing phase 6 loans.

We are in dialogues with Umpqua Bank and US Bank about lending for a Clean Energy Works product supported by CEWO credit enhancements in the form of a 10% loan loss reserve. We may have similar dialogues with additional banks. We reserved \$300,000 toward a possible initial partnership (deposit of loan loss reserve) in Nov.

We are in the process of evolving our relationship with Enterprise Cascadia wherein we share a commitment to proving to institutional capital investors that FICO scores and general approaches to credit risks need to be reset as we look at energy efficiency markets (where utility bill payment history is perhaps a better proxy for risk). We are focusing on making available a scalable loan product to a variety of income and credit quality levels so that we can a) move toward a full building stock retrofit strategy in line with Portland's Economic Development Strategy and Climate Action Plan objectives and b) advance social equity.

On the commercial side, we are actively engaged with the City of Eugene, Eugene Water and Electric Board, NW Natural and Energy Trust on supporting Eugene's Downtown Energy Retrofit Project. We have earmarked \$1.7 million toward this project, and budgeted for the ability to disperse up to \$600,000 in this period.

In terms of resource development, we are coordinating a statewide effort in partnership with multiple jurisdictions, including Klamath/Lake Counties, Astoria and Hood River, to secure up to \$5 million in Lottery dollars available via the Oregon Dept. of Energy. These dollars would go to support local workforce and marketing efforts.

Our strategic plan to be completed in late Oct. will have a complete finance strategy.

Marketing

We have hired a Director of Marketing with consumer, social and triple bottom line marketing experience. In this period we plan to invest approximately \$120,000 in professional services related to:

- Brand development
- Web site development
- Customer experience refinement

Collateral development and training of "community ambassadors" will follow.

Our objective is to begin outreach in multiple jurisdictions, including Portland, in Dec./Jan.

Our strategic plan to be completed in late Oct. will have a complete marketing strategy.

Operations

We have hired a seasoned energy efficiency expert as our Director of Operations.

We are in detailed discussions with key allies, including Energy Trust, CSG and local jurisdictions, on how to develop a service delivery structure that is more cost-effective than Portland's pilot and that also better serves the desired customer experience, as outlined by Research Into Action's independent evaluation of the pilot.

We are exploring how best to design and deploy the Energy Advocate, which we see as critical to the success of our program. We are determining how best to achieve "customer handholding" and quality control.

We are engaging contractors in all design processes.

We are also enacting an IT asset review among key allies to determine where to leverage and where to build an IT platform that delivers the desired customer experience. We will then make an IT hire to carry out this strategy. We have budgeted \$120,000 toward development of the IT platform.

Our strategic plan to be completed in late Oct. will have a complete operations strategy.

Workforce

We are in discussions with Green For All, Portland's Stakeholder Evaluation and Implementation Committee (SEIC) and several jurisdictions and workforce organizations throughout the state about the process of getting to a statewide "High Road Agreement" that ensure high quality work as well as access to jobs and economic opportunity for underserved populations and firms.

Our strategic plan to be completed in late Oct. will have a complete workforce strategy. In it, we will outline number of units per year to be retrofitted, which will lead to a labor projection and then a more formal approach to training resource alignment.

Clean Energy Works Oregon

Budget

September 2010

Covering Oct.-Nov. 2010 expenses: Launch preparation and "phase 6" support

Budget Detail for Disbursement Request for City of Portland prepared by Clean Energy Works Oregon, INC. October 2010 - November 2010			
	PROGRAM MANAGEMENT & DELIVERY		\$ 492,054
	LOAN ORIGINATION FUNDS - RESIDENTIAL		\$ 600,000
	CREDIT ENHANCEMENTS - RESIDENTIAL		\$ 300,000
	CREDIT ENHANCEMENTS - COMMERCIAL		\$ 600,000
	TOTAL DISBURSEMENT REQUEST		\$ 1,992,054

CEWO Expense Forecast/Budget October 2010 - November 2010				
	Oct	Nov	TOTALS	
EXPENSES				
Office Rent	\$ 3,600	\$ 3,600	\$ 7,200	
Office Supplies	\$ 500		\$ 500	
cell phones	\$ 1,000	\$ 1,000	\$ 2,000	
office internet (and router)	\$ 150	\$ 150	\$ 300	
projector	\$ 1,000		\$ 1,000	
Furniture			\$ -	
computers (8 laptops)	\$ 16,000		\$ -	
Travel	\$ 3,000	\$ 3,000	\$ 6,000	
Marketing	\$ 20,000	\$ 100,000	\$ 120,000	
Research In Action			\$ -	
Coates Kokes	\$ 5,000	\$ 5,000	\$ 10,000	
Blue Tree Contract (Flex)	\$ 3,000	\$ 3,000	\$ 6,000	
SBEC fees for phase 6 delivery	\$ 18,000	\$ 18,000	\$ 36,000	
website hosting fees	\$ 500	\$ 500	\$ 1,000	
Salesforce/CRM Consultants	\$ 30,000	\$ 30,000	\$ 60,000	
IT Systems Integration Consultants	\$ 30,000	\$ 30,000	\$ 60,000	
Legal Fees	\$ 3,000	\$ 3,000	\$ 6,000	
CPA/Audit Fees	\$ 5,000	\$ 5,000	\$ 10,000	
Total Operating Expenses	\$ 139,750	\$ 202,250	\$ 342,000	
Total Cost of Employees	\$ 71,938	\$ 78,117	\$ 150,054	
TOTAL OPERATING BUDGET	\$211,688	\$280,367	\$492,054	

CEWO			
Loan Origination Fund Forecast			
October 2010 - November 2010			
		Oct	Nov
			TOTALS
CEWP Pilot funding (including service fees)	\$ 300,000	\$ 300,000	\$ 600,000

CEWO			
Credit Enhancement Forecast/Budget			
RESIDENTIAL			
October 2010 - November 2010			
		Oct	Nov
			TOTALS
USES			
up[to 10% LLR for pending bank contract			\$ 300,000
up to 10% LLR for pending bank contract			\$ -
Total Residential Credit Enhancements	\$ -	\$ 300,000	\$ 300,000

CEWO			
Credit Enhancement Forecast/Budget			
COMMERCIAL			
October 2010 - November 2010			
		Oct	Nov
			TOTALS
USES			
City of Eugene			\$ 600,000
pending commercial project			\$ -
Total Commercial Credit Enhancements	\$ -	\$ 600,000	\$ 600,000

CEWO							
Cost of Human Resources							
October 2010 - January 2011							
		Oct	Nov	Dec	Jan	Totals	ANNUALIZED
PAYROLL & HEALTH INSURANCE							
1	Salary - CEO	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 43,333	\$ 130,000
	Payroll Taxes	10.0% \$ 1,083	\$ 1,083	\$ 1,083	\$ 1,083	\$ 4,333	\$ 13,000
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 4,400	\$ 13,200
	Performance Bonus	10.0%					\$ 13,000
	Total Cost of CEO	\$ 13,417	\$ 13,417	\$ 13,417	\$ 13,417	\$ 53,667	\$ 174,000
2	Contract Fee - CFO	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 48,000	\$ 144,000
	Payroll Taxes	10.0%				\$ -	\$ -
	Health Insurance - EE					\$ -	\$ -
	Health Insurance - EE+ family					\$ -	\$ -
	Performance Bonus	10.0%					\$ 14,400
	Total Cost of CFO	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 48,000	\$ 158,400
3	Salary - General Counsel	\$ 9,167	\$ 9,167	\$ 9,167	\$ 9,167	\$ 36,667	\$ 110,000
	Payroll Taxes	10.0% \$ 917	\$ 917	\$ 917	\$ 917	\$ 3,667	\$ 11,000
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 4,400	\$ 13,200
	Performance Bonus	10.0%					\$ 11,000
	Total Cost of GC	\$ 10,483	\$ 10,483	\$ 10,483	\$ 10,483	\$ 41,933	\$ 150,000
4	Salary - Director of Operations	\$ 9,167	\$ 9,167	\$ 9,167	\$ 9,167	\$ 36,667	\$ 110,000
	Payroll Taxes	10.0% \$ 917	\$ 917	\$ 917	\$ 917	\$ 3,667	\$ 11,000
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 4,400	\$ 13,200
	Performance Bonus	10.0%					\$ 11,000
	Total Cost of Dir of Ops	\$ 10,483	\$ 10,483	\$ 10,483	\$ 10,483	\$ 41,933	\$ 136,800
5	Salary - Marketing Director	\$ 7,750	\$ 7,750	\$ 7,750	\$ 7,750	\$ 31,000	\$ 93,000
	Payroll Taxes	10.0% \$ 775	\$ 775	\$ 775	\$ 775	\$ 3,100	\$ 9,300
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 4,400	\$ 13,200
	Performance Bonus	10.0%					\$ 9,300
	Total Cost of Mktg Dir	\$ 8,925	\$ 8,925	\$ 8,925	\$ 8,925	\$ 35,700	\$ 116,400
6	Salary - IT Biz Excellence	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000	\$ 90,000
	Payroll Taxes	10.0% \$ 750	\$ 750	\$ 750	\$ 750	\$ 3,000	\$ 9,000
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Performance Bonus	10.0%					\$ 9,000
	Total Cost of Biz Excl	\$ 8,650	\$ 8,650	\$ 8,650	\$ 8,650	\$ 34,600	\$ 117,600
7	Salary - Controller	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000	\$ 90,000
	Payroll Taxes	10.0% \$ 750	\$ 750	\$ 750	\$ 750	\$ 3,000	\$ 9,000
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Performance Bonus	10.0%					\$ 9,000
	Total Cost of Controller	\$ 8,650	\$ 8,650	\$ 8,650	\$ 8,650	\$ 34,600	\$ 117,600
8	Salary - Project Coordinator	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 11,667	\$ 35,000
	Payroll Taxes	10.0% \$ 292	\$ 292	\$ 292	\$ 292	\$ 1,167	\$ 3,500
	Health Insurance - EE	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Health Insurance - EE+ family	\$ 400	\$ 400	\$ 400	\$ 400	\$ 1,600	\$ 4,800
	Performance Bonus	10.0%					\$ 3,500
	Total Cost of Coordinator	\$ 3,608	\$ 3,608	\$ 3,608	\$ 3,608	\$ 14,433	\$ 51,600
	Total Salaries	\$ 66,833	\$ 66,833	\$ 66,833	\$ 66,833	\$ 267,333	\$ 802,000
	Total Payroll Taxes	\$ 5,483	\$ 5,483	\$ 5,483	\$ 5,483	\$ 21,933	\$ 65,800
	Total Health Benefits EE	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 14,000	\$ 42,000
	Total Health Benefits EE + Family	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	\$ 9,200	\$ 40,600
	Total Bonus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,200
	TOTAL COST OF EMPLOYEES	\$ 78,117	\$ 78,117	\$ 78,117	\$ 78,117	\$ 312,467	\$ 1,030,600

EXHIBIT C

LOBBYING AND LITIGATION CERTIFICATE

Clean Energy Works Oregon, Inc. certifies, to the best of the its knowledge and belief, that:

(1) No Federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure.

DOE Grant Agreement DE-EE0003565/000 Energy Efficiency Conservation Block Grant

Recipient Name: Clean Energy Works Oregon, Inc.

Recipient Address:

I hereby certify that none of the ARRA-related funds awarded under DOE EECBG Agreement DE-EE0003565/000 have been used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law.

Authorized Signer:

Signature

Date

Printed Name / Title: