This Memorandum of Understanding ("MOU") is entered into between the Desert Community College District, a community college district duly organized under the laws of California ("District"), SunPower Corporation, Systems ("SunPower"), a Delaware corporation, and MuniBond Solar ("MuniBond"), a sole proprietorship (collectively referred to as "the Parties").

The Parties Agree to the following:

1. The Parties have previously collaborated to define and secure low-cost funding for a proposed 2.8 MW solar generation project to be constructed at the District's College of the Desert campus in Palm Desert, CA (the "Project"), and now desire to further collaborate in an effort to secure a targeted $2 million of grant funding (the "Solar Grant") from the South Coast Air Quality Management District ("AQMD").

2. SunPower and MuniBond shall prepare a proposal for the Solar Grant for submission by SunPower to the AQMD on or before said proposal's due date of June 8, 2012. The proposal shall be in accordance with AQMD's RFP #P2012-17 "Coachella Valley Emission Reduction Projects to be Implemented Under the AB 1318 Mitigation Fees Fund" (the "AQMD RFP", a copy of which is attached hereto as Exhibit A).

3. This MOU is not a commitment to install a photovoltaic system or to enter into an agreement to install a photovoltaic system or purchase energy from SunPower. The Parties acknowledge that the District intends to conduct a competitive selection process for the conditional award of the Project's design-build agreement ("DBA"), and that no legally binding obligations are created by this MOU and no legally binding obligations will be created by or between the Parties with regard to the Project until the District's Governing Board approves the Project, and the Project's funding plan, and a definitive DBA is executed and delivered by the Parties.

4. This MOU will expire by December 31, 2012, unless otherwise extended by written agreement of the Parties, unless this MOU is terminated sooner pursuant to the terms hereof.

5. The District, in its sole discretion, may terminate this MOU effective immediately upon the District giving written notice thereof to SunPower. In case of such termination for convenience, SunPower and MuniBond shall have no claims against the District.

6. No part of this MOU shall be altered or amended without written agreement of both Parties.
7. This MOU shall be governed in all respects by the laws of the State of California.

8. This MOU is subject to future ratification by the District’s Governing Board

IN WITNESS WHEREOF, the Parties execute this MOU on the dates written below.

SUNPOWER:

SUNPOWER CORPORATION, SYSTEMS
a Delaware corporation

By: [Signature]
Name: Mike Whatley
Title: Account Executive

Executed this: 30 day of May, 2012

Address for Notices:

SunPower Corporation, Systems
Attn: Mike Whatley
2125 E Katella Ave Suite 220
Anaheim, California 92806
Phone: (949) 892-7952
email: mike.whatley@sunpowercorp.com

DISTRICT:

DESSERT COMMUNITY COLLEGE DISTRICT

By: [Signature]
Name: Dr. Edwin Deas
Title: Vice President, Business Affairs

Executed this: 30 day of May, 2012

Address for Notices:

Desert Community College District
Attn: Dr. Edwin Deas
43-500 Monterey Ave
Palm Desert, CA 92260
Phone: (760) 773-2592
email: edeas@collegeofthedesert.edu

MUNIBOND:

MUNIBOND SOLAR

By: [Signature]
Name: Steve Nielsen
Title: Principal

Executed this: 30 day of May, 2012

Address for Notices:

MuniBond Solar
Attn: Steve Nielsen
PO Box 10687
South Lake Tahoe, California 96158
Phone: (530) 417-0258
email: munibond@pacbell.net
OAKLAND UNIFIED SCHOOL DISTRICT
Office of the Board of Education
May 12, 2010

To: Board of Education

From: Tony Smith, Ed.D., Superintendent
Timothy E. White, Assistant Superintendent of Facilities Planning &
Management, Buildings & Grounds and Custodial Services

Subject: Revised Development of Multi-Campus Solar Project and Multi-Campus
Efficiency Improvement Project

ACTION REQUESTED
Approval by the Board of Education of the Revised Development of Multi-Campus Solar Project
and Multi-Campus Efficiency Improvement Plan.

Overview

- The Facilities Division is making a recommendation to proceed with the development of
  a multi-campus solar project and multi-campus efficiency improvement project.
- This memo provides a brief overview of the recommendation presentation to be given to
  the Facilities Committee on April 6th, including:
  - Description of how the 17 Oakland USD campuses awarded allocations of Clean
    Renewable Energy Bonds ("CREBs") were selected; and
  - Proposed Strategy for considering Energy Efficiency investment at school
    campuses later selected for solar installations.

Request for Qualification Process

- Pursuant to California Government Code section 4217, The District can directly negotiate
  with a qualified solar/efficiency upgrade provider to design and build "self funding" solar
  energy project. This code sets out to “provide the greatest deal of flexibility to public
  agencies in structuring agreements...so that economic benefits can be maximized and
  cost of design and construction minimized”.
- With the approval of the Facilities Committee, staff will proceed immediately with an
  "RFQ" process, selecting the most qualified contractor to develop the proposed solar
  project. See attached draft RFQ.
The Board approved a $39.3 million allocation of CREBs from the US Treasury Department. The District submitted 17 applications for CREBs and met the requirements for energy consumption and available roofs/parking space. The selection process included:

- Energy consumption: 300,000 kWh per year or greater; and
- Available Roofs/Parking Space: A Satellite mapping survey of the school sites was conducted to determine potential site layouts.

The presentation on April 6th will provide additional detail on the CREB Sites and explain the attributes and constraints associated with this subsidy bond allocation.

Examining Opportunities for Energy Efficiency:

- An energy audit is required for all existing commercial buildings to be eligible for a CSI Incentive (the solar rebate paid by PG&E). The District would enlist an audit protocol consisting of individual onsite audits of each campus identified as a solar/efficiency upgrade candidate during the devolvement phase.

- The District may wish to engage or have the solar/efficiency upgrade contractor partner with an energy efficiency consultant to expand the scope of the basic Energy Audit required under the CSI guidelines. After an audit is performed, the District would be required to submit a copy of the completed Energy Efficiency Audit to the CSI Program Administrator.

- With the Energy Efficiency Audit completed, the District will be in a position to make informed decisions on energy efficiency measures/opportunities at the school sites targeted for solar installation and efficiency upgrades.

- The District may not be able to use QSCB proceeds for every category of energy efficiency expenditure. To be a qualifying use of QSCB proceeds, the expenditure for energy efficiency would have to be a capital item. It would also have to meet the definition of new construction, and if it were for equipment, that equipment would have to be linked to the qualifying new construction or rehabilitation of a school facility.

- The District’s Bond Counsel can provide the District with a definition of the “use of
proceed "constraints for QSCBs."

RECOMMENDATION
Approval by the Board of Education of the Revised Development of Multi-Campus Solar Project and Multi-Campus Efficiency Improvement Plan.

ATTACHMENTS
Revised Development of 6 MW Multi-Campus Solar Project.
Facilities Committee Presentation
April 20, 2010

MuniBond Solar
Steve Nielsen
Tel: 530-642-8838 Email: MuniBond@pacbell.net
Overview

- Oakland USD Energy Consumption
  - "Benchmarking" Energy Usage
  - "Subsidized Solar" - Target: Self Generate 30%

- $70 Million of "Fed Subsidy Bonds" Identified
  - New Clean Renewable Energy Bonds (CREBs) = $39.3 Million
  - Qualified School Construction Bonds (QSBCs) = $23.9 Million
  - Qualified Energy Conservation Bonds (QECBs) = $7.5 Million

- General Fund Benefit = $31 Million (Estimate, 25 years)

- Next Steps: RFQ for Solar Contractor /Partner
**Oakland USD: Energy Consumed & Solar Target**

<table>
<thead>
<tr>
<th>RENEWABLE ENERGY TARGET = 30%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Energy Consumed – All Campuses 2009</td>
<td>29,712,000 kWhs</td>
</tr>
<tr>
<td>Proposed Multi-Campus Solar Generation*</td>
<td>8,949,000 kWhs</td>
</tr>
<tr>
<td>Percentage of Energy From Solar</td>
<td>30 %</td>
</tr>
</tbody>
</table>

*Includes 540,000 kWh of annual solar generation planned for “Downtown Educational Complex”.

<table>
<thead>
<tr>
<th>UTILITY COST OFF-SET = 40% (Before Rebates)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total PG&amp;E Electric Bill – All Campuses 2009</td>
<td>$4,369,000</td>
</tr>
<tr>
<td>Estimated Bill Savings from Solar Generation</td>
<td>$1,765,000</td>
</tr>
<tr>
<td>Percentage of PG&amp;E Bill Reduced From Solar</td>
<td>40 %</td>
</tr>
</tbody>
</table>
Estimated Benefit to District’s General Fund
Base Case

- Base Case Projection:
  - 100% Bond Financed – No “Out-of-Pocket”
  - Use 100% of 2010 QSCB Allocation ($24 mm)
  - Subsidized Net Interest Cost = 3.02% *
  - Total Gross Savings (25 yrs) = $31.4 Million
  - Gross Rebates & Subsidies = 56% Gross Price Reduction

<table>
<thead>
<tr>
<th>Turn Key Contract Price **</th>
<th>$35,940,000</th>
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</thead>
<tbody>
<tr>
<td>CSI Rebates from PG&amp;E ($0.266/kWh – First 5 Yrs)</td>
<td>($10,820,000)</td>
</tr>
<tr>
<td>“Principal Subsidy” (Sinking Fund Earnings)</td>
<td>($ 9,470,000)</td>
</tr>
<tr>
<td>Adjusted Gross Cost of Solar System</td>
<td>$ 15,490,000</td>
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</tbody>
</table>

* Preliminary Estimate, Blended cost of QSCBs, CREBS, and QECBs. Subject to further verification

** Estimate Based on 6.1 MW of Solar Capacity Installed at Multiple Campus @ Avg Cost of $5.90/ Watt (dc)

3/22/10
Estimated Benefit to District's General Fund
"Carve Out" Case

- Energy Conservation Case Projection:
  - Use 50% of QSCB For Solar
  - Use 50% of QSCBs for Qualifying Energy Conservation Investment

<table>
<thead>
<tr>
<th>Benefit Over 16 Year Term of Bonds:</th>
<th>Base Case</th>
<th>Carve Out Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Cost on Solar Financing</td>
<td>2.71%</td>
<td>3.29%</td>
</tr>
<tr>
<td>Savings From Solar</td>
<td>$3.9 Million</td>
<td>$1.6 Million</td>
</tr>
<tr>
<td>Savings From Energy Efficiency</td>
<td>$0</td>
<td>?</td>
</tr>
<tr>
<td>Total General Fund Benefit</td>
<td>$3.9 Million</td>
<td>?</td>
</tr>
</tbody>
</table>
Elements of an RFQ: Typical Selection Criteria

- Oakland USD's Proposed Evaluation Criteria
- Solar Project Experience & References
- Solar Project Technology
- Solar Project Design Capabilities
- Solar Project Construction Capabilities
- Solar Project Maintenance & Monitoring Capabilities
- Solar Project Financing Approach and Experience
- Coordination with Energy Efficiency at Sites
- Educational Opportunities
- Approach to Supporting Local Businesses and Contractors
OFFICIAL OPENING OF MEETING:
The regular meeting of the Board of Trustees of the Oxnard Union High School District was called to order by President Valles at 6:30 p.m., September 8, 2010, in the District Office Board Room, 220 South K Street, Oxnard, California.

Trustees present:
Robert Q. Valles, President
Socorro López Hanson, Vice President
Ken Benefield, Clerk
Dick Jáquez, Member
Steve W. Stocks, Member

Administration present:
Bob Carter, Ed.D., Superintendent
Rocky Valles, Jr., Ed.D., Assistant Superintendent-Human Resources
William B. Dabbs, Jr., Assistant Superintendent-Educational Services
Randy Winton, Assistant Superintendent-Business Services
Jennifer Zavoiko, Administrator-Student Services & Interventions
Nancy Serros, Administrative Assistant

Student Representative to the Board of Trustees present:
Kristina Cervi


PLEDGE OF ALLEGIANCE:
Trustee Jáquez led the Pledge of Allegiance.

ADOPTION OF AGENDA:
Trustee Jáquez requested to share his concerns at the beginning of the meeting instead of at the end of the meeting. On motion by Trustees Jáquez, seconded by Trustee López Hanson; motion was carried unanimously to permit Trustee Jáquez to state his concerns at the requested time.

Trustee Benefield moved to adopt the agenda as submitted, seconded by Trustee Stocks, motion carried unanimously. Items were then considered in the order in which they appear in these minutes.

APPROVAL OF MINUTES
Trustee Benefield moved to adopt the minutes of August 11, 2010 Regular Board Meeting as submitted, seconded by Trustee López Hanson, motion carried unanimously.

PUBLIC HEARING:
President Valles declared the public hearing to review and consider the award of a contract to SunPower Corporation for the design, construction, maintenance and operation of the solar electric systems (Solar Systems) at the District's sites/campuses; and approval of a lease purchase agreement and other financing documents with Banc of America Leasing and Capital, LLC, providing for the issuance of Qualified Energy Conservation Bonds, the net proceeds of which partially finance the acquisition cost of the Solar System, open.
Two oral comments were presented.

A speaker, from Sun World, commended the Board for taking the leadership step regarding solar energy and requested an opportunity to show the local business community the same consideration as any other vendor for this potential project, and asked to be considered on equal footing to bid for the solar project.

A speaker, from Sun World, stated he opposed giving the solar energy contract to SunPower without first giving a fair opportunity to the local industry. He asked the Board to reconsider their decision and give Sun World and other companies in the county to present an offer for the solar project.

Mr. Winton provided background information on how the bonds were secured through Qualified Energy Conservation Bonds. He stated the district has always had an open door policy. He said Solar World partners with Chevron and when he spoke to Chevron, they were not financially viable at that time. He said everything that we have done has been perfectly legal. He stated SunPower will work with local companies and community, to work on the project.

Trustee López Hanson said she requested that Mr. Winton put the project out on an RFP and believes we need local jobs for our community. She has advocated that the district put this out there and keep these dollars in the local community. She had requested that SunPower be paid as consultants and does not believe they deserve the whole project.

Mr. Winton stated the district should consider keeping the agreement that was made and passed at the Board Meeting of June 3, 2010.

Trustee Stocks stated he did not want the district in a position to jeopardize $20,000,000 and should not stand in Mr. Winton's way, but stand behind him. He said he was in favor of voting and going ahead with the corporation that has done all the work.

Trustee Jáquez asked if Sun World could work together with SunPower with the left over money. Mr. Winton stated he did not have the answer to the question.

Trustee López Hanson reiterated that the district should put out an RFP, advertise in newspapers and allow a two-week turnaround.

Hearing no further comments, President Valles declared the public hearing closed.
AUDIENCE TO ADDRESS THE BOARD OF TRUSTEES:

Trustee Jáquez read from a prepared statement “OUHS District Needs to Change the Way We Do Business.” He stated the need for school board governing board members to make decisions that are based on honesty and without hidden agenda; he stated the district has been the subject of scrutiny by various agencies and community groups; he said he has requested documents and has yet to receive them; he stated employees are not required to give donations to board candidates; and he said district policy is not being followed, i.e., established procedures for fair bidding processes are not being followed, he stated the superintendent’s salary was adjusted without a public meeting, and he stated board members are compensated for missed meetings and one board member resides out of state. In closing, he stated it was his sworn duty to be compliant and transparent during his tenure as trustee, and the district needs to change how it does business.

A public speaker thanked Mr. Jáquez for his statement and expressed concerns with the district’s use of funds under Proposition 39.

A parent and volunteer of the Naval Base of Ventura County, spoke about The Interstate Compact on Educational Opportunity for Military Children, and what plans the district has to accommodate the needs of military children.

A representative from LULAC thanked Mr. Jáquez for his statements and requested a copy of the food services investigation report conducted by Linda Saddlemire.

A speaker from Sun-World reiterated that the Board consider other vendors for the solar power project.

A representative from LULAC recommended that board meetings be simulcast in Spanish.

A board candidate expressed concerns with one section of Mr. Jáquez’s statement.

A speaker asked the Board to be more transparent, how the bond money is allocated, and to address the needs of the students.

SUPERINTENDENT’S REPORTS:

Student Representative to the Board Report:

Superintendent Carter introduced Student Representative to the Board of Trustees and Adolfo Camarillo ASB President, Kristina Cervi. Kristina reported on campus events such as ACHS’s big increase in API scores, the recent ODC meeting, upcoming homecoming events, the improvements to RMHS’s quad, and reported students are pleased with the increase in the number of food carts at the sites.

Opening of School Year:

Superintendent Carter reported district office administrators were assigned to campuses to help out on first day of school; due to the preparatory work by principals, opening day went smoothly. Enrollment is down by 4% and 15,901 students were counted on the first day of school. Dr. Carter stated he is very impressed with new administrators; they are full of vigor and he is pleased with their work.
SUPERINTENDENT'S REPORTS:

Introduction of New Hires:
Administrative Staff

Dr. Valles was pleased to introduce employees new to the district: Jairo Arellano, assistant principal, Hueneme; Kalli Miglis, dean, Rio Mesa; Raul Ramirez, assistant principal, Hueneme; Eric Riegert, principal, Oxnard; Norman Sauce, assistant principal, Channel Islands; Richard Urias, assistant principal, Oxnard; and Corina Cherry, reclassified to Transportation Supervisor, District Office.

German American Partnership Program (GAPP):

Ms. Heidi Graves, GAPP Coordinator presented information on the German American Partnership Program (GAPP). She stated each year a group of students from Adolfo Camarillo participate in the reciprocal language and cultural exchange program in Detmold, Germany. During the trip, students are able to improve their language skills in German, experience a new culture and broaden their worldview. Students shared their experiences with the Board and thanked them for the opportunity to travel to Germany.

Review of Solar Projects:

Mr. Winton said representatives from SunPower and Muni Bond would give a brief presentation on the solar projects up for consideration by the Board. He introduced Nathan Griset, Bill Kelly, and Bruce Ledesma, from SunPower, and Bill Kelly, from Muni Bond Solar.

Via a PowerPoint presentation, Mr. Nielsen provided a brief description of the path taken to attain the project. The Board approved the Solar Development/Financing Plan at the June 3, 2010 Board Meeting, which enabled SunPower to develop a multi-site project and a solar financing plan. The Board’s action was critical in securing $25 million in QECBs and $8 million in utility rebate reservations. He reported the total benefit to the general fund would be $21.2 million.

Mr. Griset spoke about the technical aspects of the solar project. He stated SunPower focused on two key criteria: what systems would generate the highest savings for the district and focused on maximizing the CSI benefit. In addition, the campus designs were analyzed for proper tracking systems. He presented photo renderings of the projects. He stated one of the key elements in the proposal is that SunPower will hire local subcontractors in all major trades.

Mr. Kelly provided background information and qualifications which will enable SunPower to deliver the proposal. SunPower manufactures the highest efficiency solar cells in the world, has completed over 50 school site solar projects, and has a 25-year history in California with over 800 California employees.

Mr. Ledesma presented the academic features of the project. He stated he participated in a session with district staff, who are leading the Green Technology Academy, to discuss the needs of the program. SunPower developed a platform for the Academy which involves four key elements: 1) renewable energy curriculum, 2) lab equipment and tools, 3) “Train the Teachers at SP University, and 4) student internships (paid) by SunPower.
ACTION ITEMS:

It is the recommendation of the district administration that the Board of Trustees approve the Action Items, as listed below.

Adoption of Resolution #10-60, regarding Sufficiency of Instructional Materials and Certification of Sufficiency of Instructional Materials in Accordance with Education Code Section 60119

Trustee López Hanson moved to adoption of Resolution #10-60, regarding Sufficiency of Instructional Materials and Certification of Sufficiency of Instructional Materials in Accordance with Education Code Section 60119, seconded by Trustee Jáquez; motion carried unanimously.

Adopted

Approval of Resolution #10-61, Proclaiming September 17, 2010, as Constitution Day

Trustee Benefield moved to adopt Resolution #10-61 Proclaiming September 17, 2010, as Constitution Day, seconded by Trustee López Hanson; motion carried unanimously.

Adopted

Adoption of Resolution No. 10-64, Resolution Authorizing Execution of Lease Financing Document for a Multi-Site Solar Project, and Approving Related Actions

Trustee Benefield moved to approve Resolution No. 10-64, Resolution Authorizing Execution of Lease Financing Document for a Multi-Site Solar Project, and Approving Related Actions, seconded by Trustee Stocks; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez.

Approved

Approval of Project Lease Agreement between Oxnard Union High School District and Golden West Schools Financing Authority

Trustee Stocks moved to approve Project Lease Agreement between Oxnard Union High School District and Golden West Schools Financing Authority, seconded by Trustee Benefield; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez

Approved

Approval of Site Lease between Oxnard Union High School District and Golden West Schools Financing Authority

Trustee Benefield moved to approve Site Lease between Oxnard Union High School District and Golden West Schools Financing Authority, seconded by Trustee Stocks; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez

Approved

Approval of Purchase Agreement between Oxnard Union High School District, Golden West School Financing Authority and Banc of America Leasing and Capital, LLC

Trustee Stocks moved to approve Purchase Agreement between Oxnard Union High School District, Golden West School Financing Authority and Banc of America Leasing and Capital, LLC, seconded by Trustee Benefield; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez.

Approved
Oxnard Union High School District  
Oxnard, California

MINUTES FOR THE REGULAR BOARD MEETING  
September 8, 2010

ACTION ITEMS - Continued:

Approval of Project Fund Agreement between Oxnard Union High School District, Golden West Schools Financing Authority and Deutsche Bank National Trust Company, seconded by Trustee Stocks; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez.

Approved

Trustee Benefield moved to approve Project Fund Agreement between Oxnard Union High School District, Golden West Schools Financing Authority and Deutsche Bank National Trust Company, seconded by Trustee Stocks; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez.

Adoption of Resolution No. 10-65, Resolution Making Findings Related to Energy Conservation Services, Authorizing Solar Equipment Purchase and Installation Agreement and Ancillary Agreements, and Authorizing Filing of CEQA Notice of Exemption Relating to Project, seconded by Trustee Benefield; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez.

Approved

Trustee Stocks moved to approve Resolution No. 10-65, Resolution Making Findings Related to Energy Conservation Services, Authorizing Solar Equipment Purchase and Installation Agreement and Ancillary Agreements, and Authorizing Filing of CEQA Notice of Exemption Relating to Project, seconded by Trustee Benefield; motion carried 3:2. AYES: Trustees Benefield, Stocks and Valles. NAYES: Trustees López Hanson and Jáquez.

Approval of 2009-2010 Unaudited Actuals Summary, seconded by Trustee Benefield; motion carried 4:1. AYES: Trustees Benefield, Jáquez, Stocks and Valles. NAY: Trustees López Hanson.

Approved

BOARD MEMBERS' REPORTS AND COMMUNICATIONS:

None reported.

ITEMS FOR FUTURE CONSIDERATION:
Consideration of Approval of Out of State/Out of Country Field Trips
Approval of Class of 2010 Additional Graduates (CAHSEE Passers)
Consideration of Approval of Proposed Job Description Revisions

FUTURE MEETINGS:
October 13
November 10
December 8
F. APPROVAL OF BUSINESS REPORTS

Approve the following business reports:
1. Purchase Orders
2. Instant Money
3. Membership Listing

ROLL CALL VOTE FOR CONSENT AGENDA

(ITEMS 11 - 15)

Joyce Dalessandro  Jordan Bernard, La Costa Canyon High School
Linda Friedman  Kaden Strong, Sunset High School
Barbara Groth  Allie Jucha, San Dieguito Academy
Beth Hergesheimer  Nick Lawson, Canyon Crest Academy
Deanna Rich  Allison Yamamoto, Torrey Pines High School

DISCUSSION / ACTION ITEMS

(ITEMS 16 – 19)

16. ADOPTION OF RESOLUTION IN SUPPORT OF DRUG AWARENESS MONTH AND RED RIBBON WEEK

Motion by _______, second by _______, to adopt and renew the San Dieguito Union High School District 2009 Resolution in Support of October as Drug Awareness Month, as shown in the attached supplement.

17. APPROVAL OF AMENDMENT TO AGREEMENT / DOLINKA GROUP

Motion by _______, second by _______, to approve amending the agreement entered into with Dolinka Group LLC to develop a Facilities and Funding Masterplan for the District, during the period July 1, 2008 through June 30, 2010, for an amount not to exceed $105,000.00 plus expenses, to be expended from Capital Facilities Fund 25-19, and authorize Stephen G. Ma to execute the amendment.

18. SOLAR ENERGY UPDATE (WORK SESSION) .......... STEVE MA, ASSOCIATE SUPERINTENDENT, BUSINESS

19. ACCEPTANCE OF RECOMMENDATION AND APPROVAL TO ENTER INTO CONTRACT

Motion by _______, second by _______, to accept the recommendation of District Staff to select MuniBond Solar for qualified solar/financial advisor services, during the period October 16, 2009 through June 30, 2010, in an amount not to exceed $26,000.00 for solar project advisory services, and in an amount not to exceed $25,000.00 for financial advisory services, plus reimbursable expenses, to be expended from Capital Facilities Fund 25-19 and the cost of issuance of bonds, and authorize Christina M. Bennett, Eric R. Dill, or Stephen G. Ma to enter into a contract.

INFORMATION ITEMS

(ITEMS 20 - 24)

20. PUBLIC COMMENTS

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (See Board Agenda Cover Sheet)

21. FUTURE AGENDA ITEMS

22. ADJOURNMENT TO CLOSED SESSION (AS NECESSARY)

CLOSED SESSION (if required)

A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline/release, dismissal of a public employee or to hear complaints or charges brought
San Dieguito Union High School District

Business Services Department

Solar Energy Update

October 15, 2009
Why Choose Solar?

- Environmentally the right thing to do to support renewable energy sources.
- Student community education.
- Off-sets the cost of electricity purchased from SDG&E.
History

- June 2008  District Approached About Solar Energy Opportunities.
- October 2008  Board Presentation on Initial Assessment:
  - Ground and roof mount.
  - Financing PPA (Power Purchase Agreement).
  - All sites could generate solar power.
  - All sites could pay for themselves, with some actually making money.
History

- Conferences and Workshops (Green Schools and CASH).
- What We Learned:
  - Importance of sizing the system.
  - Locations of panels.
  - Various funding options.
  - Third party reviews.
  - Electrical rate structure and power buy back.
  - Split solar and energy assessment into two different projects.
  - Solar offsets costs (energy assessment and implementation save money)
  - From an environmental standpoint, it is the right thing to do.
History

- March 2009 - Solar and Energy Assessment
  - Split into two different projects:
    - RFQs (request for qualifications) sent out to solar providers and ESCOs (Energy Service Companies).
  - April 2009 - Chevron selected as solar provider.
  - May 2009 - Siemens selected to do energy assessment.
  - August 2009 - California Department of Education awards the District the ability to issue up to $25M in Qualified School Construction Bonds.
History

- September 2009 - Chevron Completes Assessment Identifying Five Sites as Viable:
  - Canyon Crest Academy.
  - La Costa Canyon High School.
  - San Dieguito Academy.
  - Oak Crest Middle School.
  - Carmel Valley Middle School.

- Staff meets with bond counsel, Manatt Phelps, and investment bankers, De La Rosa & Co. to develop financial models.

- Staff selects MuniBond Solar as solar financial advisor to check financial model and Chevron's assessments.
October 2009 District enters into agreement with The California Center For Sustainable Energy to review and verify the accuracy of Chevron's energy calculations.
Solar Panel Installation (Roof Top vs. Car Ports)

Roof Mount:
- Building Structure and roof life issues.
- Roof mounts are hidden from public view.
- Requires less security than ground mounted installation.

Car Port:
- Provides shade for parking.
- Provides better lighting and security for parking.
- Better visibility for better public awareness.
Sample Carport Structure – East Los Angeles Community College
Lease vs. Own

- **Lease**
  - Power Purchase Agreement
  - Financial meltdown limited number of PPA investors.
  - Result: Higher cost of capital causes poor cashflow and unlikely chance to generate savings.
  - Buy-out provision wild card

- **Own**
  - Qualified School Construction Bonds provide a lower cost of capital, positive cashflow, and the ability to generate savings.
Now or Later?

- **Now**
  - Take advantage of higher California State Incentive.
  - Take advantage of low cost money with Qualified State Construction Bonds.

- **Later**
  - Incorporate into future District General Obligation Bond.
  - Return use of Qualified State Construction Bonds back to State.
  - California State Incentive will be less in the future.
The Team's goal in design

“Cost Neutral”

Solar Energy Savings are to pay for the construction of the solar facility without placing a burden on the general fund.

In Every Year of Debt Service.
How do they pay for themselves?

Energy Savings

- **Energy Efficiency**
  - Annual savings from SDG&E bill are used to pay for construction.

- **California Solar Initiative**
  - State incentive payments add to annual savings in first five years.

- **Renewal Energy Credits**
  - Market still like the "wild west", but have some value.
What are the Risks?

☐ Energy Savings
   - Validated with third party checks.
     - California Center for Sustainable Energy
     - MuniBond Solar

☐ Market for Qualified School Construction Bonds
   - State extension of three months.
   - Traditional Municipal Tax Exempt Lease

☐ Changing Technology
   - Carport structure lends itself to placement of new technology.

☐ Viability of Chevron as a guarantor
### Savings Schedule

**Phase 1 Consideration: Canyon Crest Academy and La Costa Canyon HS**

| System Size: 2066 kW | Cost: **$13,737,960** | Cost W: **$6.65** |

Will be available after Friday, October 9th's meeting with Chevron and follow-up call with De La Rosa.
<table>
<thead>
<tr>
<th>Phase 1 Consideration: Canyon Crest Academy and La Costa Canyon HS</th>
</tr>
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</tr>
<tr>
<td>Cost W: 6.65</td>
</tr>
</tbody>
</table>

Will be available after Friday, October 9th's meeting with Chevron and follow-up call with De La Rosa.
Options

1) Move forward with current proposal.

2) Reduce scope of project.

3) Delay and make part of future General Obligation Bond.
Proposed Timeline

November 12 - Board considers Chevron design build (EPC) contract. Board considers Bond Documents.

December 28-29 - Financial Closing and First Planning Meeting for 2010 Installation
EXECUTIVE SUMMARY

On September 18, 2009, Staff made a request for proposals for a Solar/Financial Advisor. The advisor will be required to perform typical financial duties to assist the District in all phases of financing a solar project including selection of optimum plan of finance, execution of bond sale/placement, credit agency/investor meetings, investment of bond funds, and financial closing. Unlike typical financial advisors, this advisor will also be required to have the qualifications/skills to review all Chevron ES projections and provide to the District an independent assessment as to their reasonableness. On September 29, 2009 staff selected MuniBond Solar as having the expertise to meet these requirements.

RECOMMENDATION:

It is recommended that the Board select MuniBond Solar for qualified solar/financial advisor services, during the period October 16, 2009 through June 30, 2010, in an amount not to exceed $26,000.00 for solar project advisory services, and in an amount not to exceed $25,000.00 for financial advisory services, plus reimbursable expenses, and authorize Christina M. Bennett, Eric R. Dill, or Stephen G. Ma to enter into a contract.

FUNDING SOURCE:

Capital Facilities Fund 25-19 and the cost of issuance of bonds
INDEPENDENT CONTRACTOR AGREEMENT  
B2010-07

This Agreement is hereby entered into between the **San Dieguito Union High School District**, hereinafter referred to as "District," and _____________________________________  
Contractor Taxpayer ID Number  

Mailing Address   City  State  Zip  

hereinafter referred to as "Contractor."

WHEREAS, District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if such persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, District is in need of such special services and advice, and

WHEREAS, Contractor is specially trained and experienced and competent to perform the special services required by the District, and such services are needed on a limited basis;

NOW, THEREFORE, the parties agree as follows:

1. **Services to be Provided by Contractor.**
   
a. The Contractor will provide the District with independent expert consulting services in support of the District’s negotiation of a turnkey design build contract currently being negotiated with Chevron Energy Solutions (CES)
   
b. The Contractor will provide the District with independent expert consulting services in support of the District’s negotiation of a bond purchase agreement (BPA) with the District’s investment banking firm, De La Rosa & Co. (DLR) (and/or other bond documents).
   
c. The Contractor will provide the District with an independent assessment of the reasonableness of CES projections and analysis.
   
d. The Contractor shall review and provide independent validation to the reasonableness of proposed interest rates and other terms relating to the Qualified School Construction Bonds (QSCBs) (or other bond funding mechanisms) put forth to the District by DLR and suggest other optimal sources of financing.
   
e. The Contractor will assist the District in all phases of the financing, including, but not limited to, (i) selection of the optimum plan of finance; (ii) execution of bond sale/placement; (iii) credit agency/investor meetings; (iv) optimum investment of bond funds; and (v) financial closing.

2. **Term.**  Contractor shall commence providing services under this Agreement on **October 16, 2009** and will diligently perform as required and complete performance by **June 30, 2010**.
3. **Compensation.** District agrees to pay the Contractor for services satisfactorily rendered pursuant to this Agreement according to Exhibit A which is incorporated here in full by this reference.

4. **Expenses.** District shall not be liable to Contractor for any costs or expenses paid or incurred by Contractor in performing services for District, except as agreed upon in Exhibit A.

5. **Precedence of Agreement Over Exhibits.** Should there be any ambiguity or inconsistency between any exhibits to this Agreement and the terms of this Agreement, the terms of this Agreement take precedence.

6. **Standard of Performance.** Contractor shall, in good and workmanlike manner and in accordance with the highest professional standards, at its own cost and expense, furnish all of the labor, technical, administrative, professional and all other personnel, all supplies and materials, equipment, printing, transportation, facilities and all other means whatsoever, except as herein otherwise expressly specified to be furnished by District, necessary or proper to perform and complete the work and provide the services required of Contractor by this Agreement.

7. **Independent Contractor.** Contractor, in the performance of this Agreement, shall be and shall act as an independent contractor. Contractor shall perform its obligations under this Agreement according to the Contractor's own means and methods of work which shall be in the exclusive charge and under the control of the Contractor, and which shall not be subject to control or supervision by District except as to the results of the work. Contractor understands and agrees that he/she and all of his/her employees shall not be considered officers, employees or agents of the District, and are not entitled to benefits of any kind or nature normally provided employees of the District or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Contractor assumes the full responsibility for the acts and/or omissions of his/her employees or agents as they relate to the service to be provided under this Agreement. Nothing in this Agreement shall give the Contractor authority with respect to any District decision beyond the rendition of information, advice, recommendation, or counsel. Contractor is not authorized to make any representation, contract or commitment on behalf of District.

8. **Taxes.** Contractor acknowledges and agrees that it is the sole responsibility of Contractor to make the requisite tax filings and payment to the appropriate federal, state or local tax authorities. No part of Contractor's compensation shall be subject to withholding by District for the payment of social security, unemployment, or disability insurance or any other similar state or federal tax obligation.

9. **Materials.** Contractor shall furnish, at his/her own expense, all labor, materials, equipment, supplies and other items necessary to complete the services to be provided pursuant to this Agreement, except as outlined in Exhibit A.
10. **Originality of Services.** Contractor agrees that all technologies, formulae, procedures, processes, methods, writings, ideas, dialogue, compositions, recordings, teleplays, and video productions prepared for, written for, submitted to the District and/or used in connection with this Agreement, shall be wholly original to Contractor and shall not be copied in whole or in part from any other sources, except that submitted to Contractor by District as a basis for such services.

11. **Confidentiality and Use of Information.**

   (a) Contractor shall hold in trust for the District, and shall not disclose to any person, any confidential information. Confidential information is information which is related to the District's research, development, trade secrets and business affairs; but does not include information which is generally known or easily ascertained by nonparties through available public documentation.

   (b) Contractor shall advise District of any and all materials used, or recommended for use by Contractor to achieve the project goals, that are subject to any copyright restrictions or requirements. In the event Contractor shall fail to so advise District and, as a result of the use of any programs or materials developed by Contractor under this Agreement, District should be found in violation of any copyright restrictions or requirements, or District should be alleged to be in violation of any copyright restrictions or requirements, Contractor agrees to indemnify, defend and hold harmless, District against any action or claim brought by the copyright holder.

12. **Audit and Inspection of Records.** At any time during the normal business hours and as often as District may deem necessary, Contractor shall make available to District for examination at District's primary administrative offices, all data, records, investigation reports and all other materials respecting matters covered by this Agreement and Contractor will permit the District to audit, and to make audits of all invoices, materials, payrolls, records of personnel and other data related to all matters covered by this Agreement.

13. **Works for Hire/Copyright/Trademark/Patent.** Contractor understands and agrees that all matters produced under this Agreement shall be works for hire and shall become the sole property of District and cannot be used without District's express written permission. District shall have all right, title and interest in said matters, including the right to secure and maintain the copyright, trademark and/or patent of said matter in the name of the District. Contractor consents to use of Contractor's name in conjunction with the sale, use, performance and distribution of the matters, for any purpose and in any medium.

14. **Termination.** District may at any time, with or without reason, terminate the Agreement and compensate Contractor only for services satisfactorily rendered to the date of termination. Written notice by District shall be sufficient to stop further performance of services by Contractor. Notice shall be deemed given when received by the Contractor or not later than five (5) days after the day of mailing, whichever is sooner.
District may terminate this Agreement upon giving of written notice of intention to terminate for cause. Cause shall include: (a) material violation of this Agreement by the Contractor; or (b) any act by Contractor exposing the District to liability to others for personal injury or property damage; (c) or if Contractor is adjudged a bankrupt, and Contractor makes a general assignment for the benefit of creditors or a receiver is appointed on account of Contractor's insolvency. Written notice by District of termination for cause shall contain the reasons for such intention to terminate, and unless within fifteen (15) days after service of such notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Agreement shall upon the expiration of the fifteen (15) days cease and terminate. In the event of such termination, the District may secure the required services from another contractor. If the cost to the District of obtaining the services from another contractor exceeds the cost of providing the service pursuant to this Agreement, the excess cost shall be charged to and collected from the Contractor. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to District. Written notice by District shall be deemed given when received by the other party, or no later than five (5) days after the day of mailing, whichever is sooner.

15. "DEFENSE AND INDEMNITY." (a) District shall not be liable for, and Contractor shall defend and indemnify District and its Board of Trustees, officers, agents, employees and volunteers (collectively "District Parties"), against any and all claims, deductibles, self-insured retentions, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), which arise out of or are in any way connected to the work covered by this Agreement arising either directly or indirectly from any negligent or wrongful act, error, or omission of Contractor or its officers employees, agents, contractors, licensees or servants, except claims caused by the negligent act or omission of District Parties.

(b) Contractor shall defend and indemnify the District and its Board of Trustees, officers, agents and employees from every claim or demand made and every liability, loss, damage or expense, of any nature whatsoever, which may be incurred by reason of any liability for damages which may arise from the furnishing or use of any copyrighted or uncopyrighted matter or patented or unpatented invention under this Agreement.

16. Insurance. As a material part of the consideration due the District, Contractor agrees to procure and maintain at its own expense for the duration of this agreement commercial general liability (including operations, products and completed operations) and automobile liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, its agents, representatives, employees, or subcontractors. Such insurance shall maintain limits not less than one million dollars ($1,000,000.00) per occurrence and $2,000,000.00 project specific aggregate for bodily injury, personal injury, and property damage.
The “San Dieguito Union High School District, its Board of Trustees, officers, employees, and agents” shall be named as additional insured under the insurance policies required by this section with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations; and with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Evidence of such coverage under the Contractor’s policy shall be provided to the District in the form of an endorsement to the Contractor’s insurance (ISO form CG 20 10 11 85 or similar) or as a separate owner’s policy.

For any claims related to this project, the Contractor’s insurance coverage shall be primary insurance as respects the District, its Board of Trustees, officer, employees, and agents. Any insurance or self-insurance maintained by the District shall be excess and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District.

Contractor shall furnish the District with original certificates of insurance and amendatory endorsements affecting coverage required by this section.

17. **Workers' Compensation Insurance.** Contractor agrees to procure and maintain at its own expense in full force and effect Workers’ Compensation Insurance covering its employees and agents while these persons are participating in the activities hereunder. In the event a claim under the provisions of the California Workers’ Compensation Act is filed against District by a bona fide employee of Contractor participating under this Agreement, Contractor agrees to defend and hold harmless the District from such claim.

18. **Inspection By District.** The services completed herein must meet the approval of the District and shall be subject to the District’s right of inspection to secure the satisfactory completion thereof. If any services performed by Contractor do not conform to the specifications and requirements of this Agreement, District may require Contractor to re-perform the services until they conform to said specifications and requirements, at no additional cost, and District may withhold payment for such services until Contractor correctly performs them. When the services to be performed are of such a nature that Contractor cannot correct its performance, the District shall have the right to (1) require the Contractor to immediately take all necessary steps to ensure future performance of services conforms to the requirements of this Agreement, and (2) reduce the contract price to reflect the reduced value of the services received by District. In the event Contractor fails to promptly re-perform the services or to take necessary steps to ensure that the future performance of the service conforms to the specifications and requirements of this Agreement, the District shall have the right to either (1) without terminating this Agreement, have the services performed by contract or otherwise, in conformance with the specifications of this Agreement and charge Contractor, and/or withhold from payment due to
Contractor, any costs incurred by District that are directly related to the performance of such services, or (2) terminate this Agreement for default.

19. **Hazardous Materials.** Contractor shall comply with all Environmental Laws and all other laws, rules, regulations, and requirements regarding Hazardous Materials, health and safety, notices, and training. Contractor agrees that it will not store any Hazardous Materials at any District Facility without prior approval of District Administrator of Agreement or in violation of the applicable site storage limitations imposed by Environmental Law. Contractor agrees to take, at its expense, all action necessary to protect third parties, including, without limitation, employees, students, and agents of the District from any exposure to Hazardous Materials generated or utilized in its performance under this Agreement. Contractor agrees to report to the appropriate governmental agencies all discharges, releases, and spills of Hazardous Materials that are required to be reported by any Environmental Law and to immediately notify the District of it. As used in this section, the term "Environmental Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including, but not limited to, the Resource Conservation and Recovery Act, relating to hazardous substances, hazardous waste, toxic substances, environmental conditions or other similar substances or conditions. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that (a) is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (b) is controlled, referred to, designated in or governed by any Environmental Laws; (c) gives rise to any reporting, notice or publication requirements under any Environmental Laws, or (d) is any other material or substance giving rise to any liability, responsibility or duty upon the District with respect to any third person under any Environmental Laws.

20. **Contact with Students.** Contractor will not permit any of its employees who perform services under this Agreement to come in contact with pupils or communicate with pupils. In the event Contractor fails to prevent its employees from having contact with pupils or communicating with pupils and injury results from failure to prohibit pupil contact or communication, Contractor shall defend, indemnify, protect, and hold the District, its agents, officers and employees harmless from and against any and all claims, demands, liability, judgments, awards, losses, injury, damages, expenses, charges or costs of any kind or character whether to the District or to any person or property which arise from or are connected with or are caused or claimed to be caused by Contractor's failure to prohibit its employees, subcontractors or agents from having pupil contact or communication. Any subcontractors hired by Contractor shall be subject to and shall comply with this section, and it shall be the Contractor's responsibility to require compliance with this section. Contractor and subcontractor shall be jointly and severally liable for any injury that results from subcontractor's failure to comply with this provision. Based on the determination that neither Contractor nor any subcontractor of Contractor will have contact with pupils, no fingerprinting of Contractor or its agents, subcontractors or employees is required by this Agreement.
21. **Assignment.** The obligations of the Contractor pursuant to this Agreement shall not be assigned by the Contractor.

22. **Compliance With Applicable Laws.** Contractor agrees to comply with all federal, state and local laws, rules, regulations and ordinances that are now or may in the future become applicable to Contractor, Contractor's business, equipment and personnel engaged in operations covered by this Agreement, or occurring out of the performance of such operations.

23. **Permits/Licenses.** Contractor and all Contractor's employees or agents shall secure and maintain in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Agreement.

24. **Employment With Public Agency.** Contractor, if an employee of another public agency, agrees that Contractor will not receive salary or remuneration, other than vacation pay, as an employee of another public agency for the actual time in which services are actually being performed pursuant to this Agreement.

25. **Entire Agreement/Amendment.** This Agreement and any exhibits attached hereto constitute the entire agreement among the parties to it and supersedes any prior or contemporaneous understanding or agreement with respect to the services contemplated, and may be amended only by a written amendment executed by both parties to the Agreement.

26. **Nondiscrimination in Employment.** Contractor agrees that it will not engage in unlawful discrimination in employment of persons because of race, color, religious creed, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation, or a perception that a person has or is associated with a person who has, or is perceived to have, any of these characteristics.

27. **Non-Waiver.** The failure of District or Contractor to seek redress for violation of, or to insist upon, the strict performance of any term or condition of this Agreement, shall not be deemed a waiver by that party of such term or condition, or prevent a subsequent similar act from again constituting a violation of such term or condition.

28. **Administrator of Agreement.** This Agreement shall be administered on behalf of, and any notice desired or required to be sent to a party hereunder shall be addressed to:

   For District: Christina M. Bennett

   For Contractor:
29. **Notice.** All notices or demands to be given under this Agreement by either party to the other, shall be in writing and given either by: (a) personal service or (b) by U.S. Mail, mailed either by registered or certified mail, return receipt requested, with postage prepaid. Service shall be considered given when received if personally served or if mailed on the fifth day after deposit in any U.S. Post Office. The address to which notices or demands may be given by either party may be changed by written notice given in accordance with the notice provisions of this section. At the date of this Agreement, the addresses of the parties are as set forth above.

30. **Severability.** If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect and shall not be affected, impaired or invalidated in any way.

31. **Successors.** All terms of this Contract shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.

32. **Neither Party Considered Drafter.** Despite the possibility that one party may have prepared the initial draft of this Contract or played the greater role in the physical preparation of subsequent drafts, neither party shall be deemed the drafter of this Contract. In construing this Contract in case of any claim that any provision hereof may be ambiguous, no such provision shall be construed in favor of one party on the ground that such provision was drafted by the other.

33. **Conflicts of Interest.** Contractor presently has no interest, including but not limited to other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract. The Contractor shall not employ any person having any such interest in the performance of this Agreement.

34. **Cartwright Act.** Following receipt of final payment under the Agreement, Contractor assigns to the District all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 1)(commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, material, or services by the Contractor for sale to the District under this Agreement.

35. **Governing Law.** The terms and conditions of this Agreement shall be governed by the laws of the State of California with venue in San Diego County, California.

36. **Board Ratification and Approval or Review.** The Parties acknowledge and understand that this agreement is subject to ratification and approval or review in accordance with California law by the Board of Trustees of the San Dieguito Union High School District. In the event any work is performed or payment made prior to the ratification and approval or review of a final Agreement by the Board,
all parties agree, the terms of this Agreement as set forth herein as of September 18, 2009 shall be binding and shall control the relationship of the parties and shall be the contract terms submitted to the Board for ratification and approval, or review.

37. **Warranty of Authority.** Each of the parties signing this Agreement warrants to the other that he or she has the full authority of the entity on behalf of which his or her signature is made.

This Agreement is entered into this _____ day of October, 2009.

**DISTRICT**

By: ____________________________

Signature

Christina M. Bennett

Typed Name

Director of Purchasing

Title

**CONTRACTOR**

By: ____________________________

Signature

______________________________

Typed Name

______________________________

Title

______________________________

Social Security or Taxpayer Identification Number
Exhibit A

MuniBond Solar
Proposal for Financial and Project Advisory Services
to
San Dieguito Union High School District
(Multi-Campus Solar Project)

September 25, 2009
1 Assigned Lead Advisor & References

The lead (and only) advisor who will work for the District is:

**Steve Nielsen**  
Principal, MuniBond Solar (also dba “MuniBond Advisors”)  
1200 Gold Strike Drive  
Placerville, CA 95667  
Tel: 530-642-8838  Email: munibond@pacbell.net

Three Targeted References

**San Ramon Valley USD**

**Margie Brown**  
Asst. Supt of Facilities Dev.  
2430 Camino Ramon, #240  
San Ramon, CA 94583  
Tel: 925-552-2961

**Gary Black**  
Asst Supt of Business Svcs  
699 Old Orchard Drive  
San Ramon, CA 94583  
Tel: 925-552-2905

Solar Advisor and Financial Advisor (tentative selection as FA). This client is a good example of my ability to serve a school district in the dual role of solar advisor and provide guidance on the financing.

Like San Dieguito Union, San Ramon’s Solar plans where thrown into hyper gear when their QSCB number was drawn from a hat on August 28th.

Having brought this concept to the District, I’ve taken the lead communicating the benefits of the Solar project to many stakeholder groups within the District, from power point presentations to the capital oversight committee to crunching the numbers with an initially skeptical CBO.

My role has been broad and, by necessity, flexible; everything from modeling expected energy savings to researching solar carport designs. The RFP for selecting the optimum “turnkey solar contractor” is out on the street next week.

On the finance side, I’m now assisting the CBO select the optimum finance team. We’re interviewing three top investment banking firms next week with the goal of selecting the single firm most qualified to place the District’s QSCBs at a low supplemental interest rate.
Glendale USD

Scott Price
Administrator – Bus Svcs
223 N Jackson Street
Glendale, CA 91206
818-241-3111 x 456

I approached GUSD with an unsolicited plan to use CREB financing to acquire solar, taking advantage of the rich CSI rebates available to most of their campus projects ($.456/kWh)

After getting comfortable with the savings analysis, the District decided to proceed with the application process for CREBs (and a follow-up application for QSBCs which was unsuccessful). I coordinated site assessments for 18 solar campuses in support of CREB applications.

Also developing strategy with GW&P (local utility) to structure their CSI payment in a manner that serves both the Project and the Utility optimally. Also planning to propose a new, “solar friendly” rate tariff for GW&P consideration.

County of Plumas

Ginny Dunbar
Treasurer Tax-Collector
520 Main Street
Quincy, CA 95971
530-283-6260

Although this deal was relatively small and uninteresting from a surface viewpoint, it provides a good example of my ability to work as a surrogate staff person, with a broad and adaptable scope of work.

I structured this deal from its concept and helped the District assemble the optimum finance team... from its underwriter and bond counsel, to the firm that provided replacement cost assessments. Whatever my client needed to guide their project home, and “make it optimum”.

This project also demonstrates my experience as a broker for investment products. Structuring guaranteed investment contracts (GICs) that met the requirements of permitted investments in the County’s Trust Agreement, while maximizing the permitted investment return,

These same skills will come into play with the optimum investment of the QSCB (or CREBs, if they’re later used) Sinking Fund.
2 Summary of Experience

Public Agency Consulting Experience: Attachment A provides a listing of my recent experience assisting public agencies in the assessment of proposed solar projects. The table also highlights public bond offerings where I’ve served in the capacity of full-service financial advisor.

Non-Profit Consulting Experience: Not listed in the table are consulting services I recently provided to CleanTECH San Diego, helping this regional non-profit execute a successful “CREB drive, that totaled about $250 million. During that 3 month process, I consulted with Santee School District, City of Santee, City of Chula Vista, City of Oceanside, City of Solana Beach, and the Helix Water District, helping each of these agencies quantify the benefits of CREBs to finance proposed solar projects.

Solar Industry Consulting Experience: In Northern California, I’ve partnered with SunPower Corporation to lead a CREB drive and educate public agencies on the economics of Solar generation. This drive (aided by the substantial resources of SunPower) signed up 32 public agencies who applied for about 120 solar projects totaling over $280 million in total, aggregate project cost. From UC Berkeley to a consortium of community colleges districts and water agencies located up and down the state, I’ve worked with a variety of public agencies striving to lower the cost of their proposed solar projects, quantify that savings, and then communicate that information to their staffs, elected bodies and, in some cases, community groups.

Other Resume Information: My professional background includes employment as Asst Treasurer for Sacramento Municipal Utility District (SMUD), an early pioneer in Solar. At SMUD I managed a team of professionals responsible for a $2.4 billion bond and commercial paper program; cash management (investments); and District-wide financial planning. I also have background in utility electric rate design and generation resource planning.

Leaving government, I worked for 9 years as a municipal investment banker, initially on a national, “public power” stage for a top-10 Wall Street firm before settling back into the California regional market. During that time, I participate in the structuring of well over $1 billion of public bond offerings.

In 2002, I left banking and launched an independent financial advisory firm, leading taxable and tax exempt public offerings totaling over $230 million (mostly for small issuers with thin staff resources).

From 2004 to 2008, I took a “sabbatical” from the world of municipal bonds and turned my attention to social justice issues. I took an executive role at my church and built a community outreach program that included establishing a faith-based, non profit corporation that now runs a transitional home for mothers who are homeless.

MuniBond Solar coincided with my return to the market place, and was conceived in 2008 in anticipation of the multiple layers of public funding that was then expected to flow out of federal government in support of renewable energy.

MuniBond Solar is a natural extension of my past experience and current mission, to bring solar to every school and local government in California.
3 Overview of Project and its “Key Factors

On August 28th, 43 schools were awarded QSCB allocation by random lottery in a conference room in Sacramento. I was there, and when San Dieguito’s number was drawn from the hat, I was glad to send an immediate email to John Addleman notifying him of the good news. The challenge, of course, is that this allocation must be used by year’s end. Typically, that would not be an issue. But QSCBs are not typical bonds.

QSCBs are one of six categories of “tax credit” bonds, created or significantly modified under the 2009 Recovery Act (and, in some cases, 2008 legislation). The investor receives a tax credit directly from the Fed rather than interest payment from the governmental issuer. To date, the investor base has remained very limited, with Guggenheim Partners purchasing all but two of the 10 QSCBs that have come to market.

Of those QSCB issued, two have come out of California: San Diego USD and Oakland USD. San Diego was a $38.8 million, AA rated, G.O Bond structure that achieved a zero percent interest cost. Oakland was a $26 million, BBB rated, GO Bond structure that paid a 2.82 percent supplemental interest rate. The market has not yet seen a lease structured QSCB.

San Dieguito can expect a supplemental interest coupon somewhere in the range of 1.5 and 2 percent; unless the investor base grows, which I believe it must. Speaking this week with the District’s underwriter, De La Rosa, and other underwriting firms representing QSCB issuers in California, there is evidence of additional buyers coming to the table. One role an FA will play in the District’s financing – whether the Bonds are QSCBs, Tax-Exempt COPS / Lease Revs, BABs, etc - is to assure the District that the underwriter is working to create demand for the bond; and ultimately presents an interest rate that is reasonable given market conditions and the credit characteristics of the District.

MuniBond Solar is uniquely qualified to serve both in this traditional “FA Role” and in the role of Solar Advisor. The project is complex. Answering the question “Does this pencil out” requires an understanding of the key financing assumptions and the ability to accurately quantify the technical inputs and outputs of each Project site.

I call these the “moving parts” of a solar transaction, and each one has a unique impact on the overall Project economics:

1. **Negotiated Price of the turn-key System.** The District intends to negotiate a defensible acquisition cost, bringing transparency to the selection of subcontractors and disclosure of CES proposed margins. An additional resource at the negotiating table is knowledge of competitive bid levels for solar. I bring that knowledge.
2. **Expected Solar Production** The District should focus on the projected cost per kWh of solar production, and not solely on installed cost per kWp. Higher efficiency panels and/or high efficiency designs (like tracking systems) can significantly enhance project economics, in addition to using a smaller installation footprint. It's important that the District's Solar Advisor independently verify that the Project's expected yields (namely, first year total kWh of solar generation) as put forth by Chevron's proposed final design are reasonable as measured through a nationally recognized solar modeling tool (like PV Watts).

3. **Optimum SDG&E Tariff under Net Metering.** The Project economics are significantly influenced by optimizing the net metering tariff. The advisor would assure CES performs this analysis, or that it is performed independently.

4. **Rebate and Incentives.** While the CSI rebate is pretty straightforward, the QSCB and CREBs offer a form of “principal subsidy” flowing out of the investment earnings in the sinking fund. The advisor should assure this subsidy is maximized (against the constraints of appropriate investments and the requirements of the investor who will desire liquidity in the sinking fund in the event of non-appropriation of the lease payment). The market for renewable energy credits (RECs) also play into the project economics and have the potential to provide a substantial future revenue stream.

5. **Cost of Financing.** After negotiated price, the interest cost on the Bonds is the next most influential factor in determining “does the solar project pencil out”. In addition to the QSCB allocation, the District has applied for CREBs (which have a three year “shelf life”). CREBs might be an attractive option when combined with a talked-about 2010 Bond Measure. Although the QSCBs are potentially attractive, the burden is on De La Rosa to find an investor who will accept a minimal supplemental interest rate. A level in the range of Oakland's QSCB puts much strain on the Project economics.

6. **Future Utility Escalation.** What is a reasonable assumption? This single assumption can vastly change the outcome of an economic analysis. According to the CEC the average retail price of electricity for commercial users over the past 25 years was 3.3%. Its important to have a model that can run sensitivities on this input and arrive at a defensible assumption.

The Advisor selected by the District, should bring skills in assessing all these (and other) “moving parts”. At the very least, the District should have a qualified second opinion. This means an independent assessment as to the reasonableness of the savings estimate being put forth by Chevron Energy Solutions.

Optimally, the selected advisor will enhance the District’s team and, in addition to independent review, contribute toward innovative ideas that ultimately benefit the District and its achievement of its renewable energy goals.
4  Project Optimizations

My first inclination when thinking about opportunities for optimizing this project go toward solar design and cost. I have taken a close look at Canyon Crest Academy and see it as an excellent candidate for a solar tracking design atop the parking canopy. The drawback is some people find them ugly. The draw is that these systems produce about 25 percent more energy, and extend solar production into the later on-peak hours. SDG&E’s interest may be peaked by such a project. It might be the catalyst for the utility offering a pilot tariff program that could allow the District to extract more value out of the project (similar to PG&Es A-6 tariff). Also, increased production means increased CSI Rebate as well.

I have good familiarity with Chevron Energy Solutions and several of the solar contracts they are now negotiating with other schools. For example, at Morgan Hill USD, they are considering a structure where the District “monetizes” the CSI rebate as a means for shaping the projected savings and reducing the adjusted contract price from Chevron. This might be attractive to San Dieguito and as part of the team, I could suggest it (assuming CES has not already).

The other area of optimization has to do with the tax credit bonds and their efficient placement. I’ve spoken with the District’s banker and get the sense they are pursuing investor options other than Guggenheim Partners. There is also shared anticipation over the Treasury releasing “tax-credit stripping” guidance later this fall.

This will be the catalyst for greater investor participation (in my opinion)

I look forward to sharing other ideas in the company of the District’s finance team.

5  Fees & Expense

- **Solar Project Advisor** - Hourly Rate of $260 per hour (maximum 2 hours in any day for travel time) In aggregate, not to exceed $26,000 (100 hours) without prior written instruction /extension from the District. Also reimbursement of reasonable, out-of-pocket, travel expenses (not to exceed $5,000).

- **Financial Advisory Services** - $25,000 (assuming a private placement of $25 million of QSCBs where the scope of services is “pricing agent”). If a public sale of tax-exempt bonds, BABs, GO Bonds, etc, fee to be negotiated, based on scope of services. Also reimbursement of reasonable travel expenses (not to exceed $5,000).

- **Contract Items**: If selected, MunBond Solar would not carry E&O insurance per District’s standard contract terms.
<table>
<thead>
<tr>
<th>Public Agency Name</th>
<th>City &amp; State</th>
<th>TYPE of PROJECT</th>
<th>Par Amount &amp; Bond Type</th>
<th>Description of Project</th>
<th>Services Provided by Proposed Lead Advisor</th>
<th>Year Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Ramon Valley USD</td>
<td>San Ramon, CA</td>
<td>SOLAR</td>
<td>$25 million QSCBs (Lease Rev)</td>
<td>Direct Purchase 3.8 MW at four high schools – 90% carport / 10% roof systems.</td>
<td>Model expected savings, site assessments in support of RFP, Board &amp; Facility Committee presentations, FA Services (expected)</td>
<td>In Process</td>
</tr>
<tr>
<td>Glendale USD</td>
<td>Glendale, CA</td>
<td>SOLAR</td>
<td>$39.8 million CREBS (Lease Rev)</td>
<td>Direct Purchase, 5.1 MW over proposed 18 campuses (includes two “1MW” high schools)</td>
<td>18 Site Assessments for CREB applications, Model projected savings analysis. Assessment of current energy usage from Glendale Water &amp; Power.</td>
<td>In Process</td>
</tr>
<tr>
<td>Oakland USD</td>
<td>Oakland, CA</td>
<td>SOLAR</td>
<td>$55.3 million CREBs /QSCBs (Lease Rev)</td>
<td>Direct Purchase, 7.6 MW over 17 schools. Two phases: $39 million CREBs in 2009 + $16.3 million QSCB in 2010</td>
<td>Site Assessments for 17 CREB applications, Model expected savings</td>
<td>In Process</td>
</tr>
<tr>
<td>Washington USD</td>
<td>West Sacramento, CA</td>
<td>SOLAR</td>
<td>$89 million QSCBs (Lease Rev)</td>
<td>Direct Purchase of Solar for Cnty WTP (roof, carport, and trackers)</td>
<td>Prepare CREB application / administer RFP for Solar contractor/ Model Savings analysis Partner with SunPower on DBC and solar field development</td>
<td>In Progress</td>
</tr>
<tr>
<td>San Juan Water District</td>
<td>Granite Bay, CA</td>
<td>SOLAR</td>
<td>$6 million CREB/ COP</td>
<td>Direct Purchase 900kW ground mount tracking system for waste water treatment plant and pump station</td>
<td>Prepare site assessment for CREB applications Write and administer RFP for solar contractor selection, Private Placement Agent</td>
<td>In Progress</td>
</tr>
<tr>
<td>Fallbrook PUD</td>
<td>Fallbrook, CA</td>
<td>SOLAR</td>
<td>$7.2 million CREBs/ Lease</td>
<td>1 MW tracker for Waste Water Treatment Plant No 1</td>
<td>Full Service FA and Solar Advisor</td>
<td>In Progress</td>
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<tr>
<td>Yolo County</td>
<td>Woodland, CA</td>
<td>SOLAR</td>
<td>$7.3 million Lease/ QECBs/ CREBs</td>
<td>Jail Facility Tracker – 920 kWP</td>
<td>Full Service FA and Solar Advisor</td>
<td>In Progress</td>
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<tr>
<td>Rancho California WD</td>
<td>Temecula, CA</td>
<td>SOLAR</td>
<td>$12 Million CREBs /COPs</td>
<td>T1 MW tracking system for Pump Station and a 400kW carport design at District HQ Building</td>
<td>Assisted with CREB applications and developing Savings analysis and site layouts. Expect to be awarded Full Service FA and Solar Advisor role</td>
<td>In Progress</td>
</tr>
<tr>
<td>Location</td>
<td>Total Cost</td>
<td>Description</td>
<td>Services Provided</td>
<td>Status</td>
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<tr>
<td>Valley Center WD</td>
<td>$5.8 Million</td>
<td>CREB/COP Tracking systems for small pump stations. Also assisting District structure financing alternatives and strategies for future Bond Measure in response to spending limitations</td>
<td>Assisted with CREB applications and developing Savings analysis and site layouts. Studying demand profile. Expect to be awarded Full Service FA and Solar Advisor role</td>
<td>In Progress</td>
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<tr>
<td>Las Virgenes MWD</td>
<td>$12.5 Million</td>
<td>1MW Tracking System for Pump Station plus Four Carport structures for HQ Building totaling 600 kWp</td>
<td>Assisted with CREB applications and developing Savings analysis and site layouts. Studying demand profile. Applying for CEC 1% Loan. Expect to be awarded Solar Advisor role for RFP solicitation.</td>
<td>In Progress</td>
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<tr>
<td>Castaic Lake Water Agency</td>
<td>$8 Million</td>
<td>Tracking</td>
<td>Assisted with CREB applications and developing Savings analysis and site layouts. Expect to be awarded Full Service FA and Solar Advisor role</td>
<td>In Progress</td>
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<tr>
<td>Mammoth Comm WD</td>
<td>$7 Million</td>
<td>Tracking and Carport</td>
<td>Assisted with CREB applications and developing Savings analysis and site layouts.</td>
<td>In Progress</td>
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<tr>
<td>Plumas County</td>
<td>$18.4 Million</td>
<td>Various Capital Facilities, including new administration building</td>
<td>Managed all aspects of project. Negotiated final pricing.</td>
<td>2004</td>
<td></td>
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<tr>
<td>Shasta County</td>
<td>$43 million</td>
<td>New Construction – County Administration Complex and Parking Structure</td>
<td>Managed all aspects of project including admin of RFP for underwriter selection, negotiated final pricing.</td>
<td>2003</td>
<td></td>
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<tr>
<td>Shasta County</td>
<td>$7.3 million</td>
<td>Refinancing of Bonds for Jail Facility</td>
<td>Financial Advisor and Investment Broker for Guaranteed Investment Contract</td>
<td>2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mendocino County</td>
<td>$96 million</td>
<td>Refund UAL</td>
<td>Financial Advisor and Investment Broker for Guaranteed Investment Contract</td>
<td>2003</td>
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</tbody>
</table>