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AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SIERRA VALLEY ENERGY AUTHORITY

THIS Amended and Restated Joint Exercise of Powers Agreement (hereafter "Agreement") amends and restates the Joint Exercise of Powers Agreement for the SIERRA VALLEY ENERGY AUTHORITY, (hereafter "Authority") originally entered as of September 9, 2015, (the "Original Agreement") which was by and between the COUNTY OF PLACER, and the CITY OF COLFAX, both public entities of the State of California. By this amendment and restatement it becomes a Joint Exercise of Powers Agreement by and between the COUNTY OF PLACER, the CITY OF COLFAX and the cities of Rocklin, Lincoln and Auburn and the town of Loomis within the County of Placer who become signatories to this Agreement (the "New Voting Members", and together with the County of Placer and the City of Colfax, the "Voting Members"), as well as those local agencies that become signatories to this Agreement as Associate Members, and relates to the joint exercise of powers among all of the signatories hereto either as Voting Members or Associate Members (hereafter collectively referred to as the "Members").

RECITALS:

A. Whereas, each of the Members has a vested interest in the economic well-being of its respective jurisdiction and the region as a whole as well as energy efficiency and clean energy growth and development;

B. Whereas, the Members desire to enter into this Agreement to provide for local control of energy resources, the adoption of programs to foster economic development, energy efficiency, and resource conservation, and to further define and describe the scope of powers to be exercised by the Authority;

C. Whereas, the Members share various powers under California law, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with property owners to provide financing for the installation of public and private improvements authorized within their jurisdictions;

D. Whereas, the purposes for entering into this restated Agreement include, but are not limited to:

1) Providing electric power and other forms of energy to customers at a competitive cost;
2) Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources and the overall power supply portfolio.
3) Carrying out programs to reduce energy consumption;
4) Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
5) Reducing greenhouse gas emissions related to the use of electric power and other forms of energy in Placer County and neighboring regions;

E. Whereas, it is the intent of this Agreement to promote the development and use of a wide range of energy sources and energy efficiency programs, including but not limited to hydroelectric, biomass, landfill gas, conversion of waste-to-energy, solar, and wind energy production;

F. Whereas, Pacific Gas and Electric and Liberty Energy are the investor owned providers of retail electric service throughout the Voting Member jurisdictions and a Community Choice Aggregator is authorized to aggregate electrical load served by such investor owned providers within its members' jurisdiction. Each of the Voting Members must adopt an ordinance electing to implement through the Authority a common Community Choice Aggregation pursuant to California Public Utilities Code Sections 331.1(b) and 366.2(12)(A).

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the Members hereto agree to establish a joint powers authority as follows:

Section 1. Authority for this Joint Exercise of Powers Agreement

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of power common to the counties and public agencies and other powers specified therein (hereinafter the "Act"). Under Sections 6505 and 6507 of the Act, the Authority is a public agency separate from its Members. As provided by Section 6508.1 of the Act, and Section 12 hereof the debts, liabilities or obligations of the Authority shall not be the debts, liabilities or obligations of the individual Members, unless the governing body of a Member agrees in writing to assume any of those debts, liabilities or obligations.

The Members are each empowered by the laws of the State of California to exercise, in their respective jurisdictions, the powers set forth herein, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with properties owners for authorized improvements within their jurisdictions.

Section 2. Purpose of Agreement

The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to the Members and other powers granted to the Authority under the Act, to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, to exercise all other powers necessary and incidental to accomplishing these purposes, and to provide a Community Choice Aggregation (hereinafter "CCA") Program, pursuant to California Public Utilities Code Sections 331.1 and 366.2, and as further described in Section 10.

Without limiting the generality of the foregoing, the Members also intend for this Agreement to be used as a mechanism by which Voting Members and non-voting Associate Members may

authorize the Authority to provide Property Assessed Clean Energy ("PACE") Programs pursuant to Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code ("Chapter 29"). The Authority may provide PACE Programs pursuant to Chapter 29 within the boundaries of each Voting Member as set forth in Section 10(C) herein, and within the boundaries of each non-voting Associate Member as set forth in Sections 16 herein. The Members intend that other agreements with Associate Members shall define the terms and conditions associated with the implementation of the CCA Program, the PACE Program, and any other energy programs approved by the Authority within the territorial jurisdiction of such Associate Members. As of the Effective Date of this Agreement, the Associate Members include the County of Nevada, County of Sacramento, City of Grass Valley, City of Folsom, City of Nevada City and Town of Truckee.

Section 3. Effective Date and Term

This Agreement shall be effective as an amendment and restatement of the Original Agreement, and the Authority shall continue to exist as a separate public agency under the terms of this Agreement upon execution by the County of Placer and the City of Colfax. This Agreement shall be in full force and effect until terminated in the manner herein provided, subject to the rights of the Members to withdraw from the Authority.

Section 4. Powers

The Authority shall have all powers common to the Members, and such additional powers accorded to it by law, including the power to develop and implement comprehensive energy and resource development and conservation programs, as described herein. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (CEQA). As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the County of Placer.

The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 5C and Section 8:

A. to make and enter into contracts;

B. to employ agents and employees, including but not limited to an Executive Director;

C. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

D. to acquire property by eminent domain, or otherwise, except as limited under

Section 6508 of the Act, and to hold or dispose of any property;

E. to lease any property;

F. to sue and be sued in its own name;

G. to incur debts, liabilities, obligations and to issue bonds, and to make and enter into agreements and other documents of any nature whatsoever as may be necessary or convenient in the exercise of the powers provided under the Marks-Roos Local Bond Pooling Act of 1985, as amended, and other provisions of California law that authorize public agencies to issue bonds and incur indebtedness, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et. seq.;

H. to form subsidiary or independent corporations or entities, if necessary to carry out energy supply and energy conservation programs and to take advantage of legislative or regulatory changes;

I. to deposit its money pursuant to Section 6505.5 of the Act and to invest its money which is not required for the immediate use of the Authority, as the Authority determines is advisable in the same manner and upon the same conditions as local agencies, pursuant to Section 53635 of the California Government Code;

J. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

K. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

L. to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations");

M. to establish and operate a CCA program, and make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program, including the acquisition of electric power supply and the provision of retail and regulatory support services;

N. to establish and operate one or more PACE programs pursuant to Chapter 29, and to enter into one or more agreements, including without limitation, participation agreements, implementation agreements and joint powers agreements and amendments thereto to fulfill such programs both within and outside the jurisdictional boundaries of the Authority;

O. to establish a non-voting "Associate Member" status that provides membership in the Authority to jurisdictions that are outside jurisdictional boundaries of the Authority's Voting Members, but within whose boundaries a PACE, CCA, or

other energy program is established and implemented by the Authority on behalf of the Associate Member. Said jurisdictions shall adopt one or more agreements (a "PACE Agreement", "CCA Agreement", or other energy program agreement, as applicable) on terms and conditions established by the Authority. The rights of Associate Members shall be limited solely to those terms and conditions expressly set forth in the PACE Agreement, CCA Agreement or other energy program agreement for the purposes of implementing the PACE Program, CCA Program or other energy program, respectively, within the jurisdictional boundaries of the Associate Member. Except as expressly provided for by the PACE Agreement, CCA Agreement or other energy program agreement, Associate Members shall not have any rights otherwise granted to Authority Members by this Agreement, including but not limited to the right to vote, the right to amend this Agreement and the right to sit on committees or boards established under this Agreement;

P. to execute agreements for the purpose of authorizing the Authority to implement, manage and administer area-wide and regional programs in the interest of providing energy supply, development of energy generation, energy efficiency, resource conservation, local public welfare and other economically related energy programs. The costs incurred by the Authority in implementing a program, including indirect costs, shall be costs of the Authority and shall not be assessed to the Members, unless approved by the Governing Body of the Member.

Section 5. Governance and Internal Organization

A. Governing Board. The governing body of the Authority shall consist of up to seven (7) person Board, consisting of two (2) members of the Placer County Board of Supervisors, and one (1) member each appointed by the Cities of Colfax, Rocklin, Lincoln, Auburn and the Town of Loomis within Placer County that becomes a signatory to this Agreement ("Board Member").

The Board of Supervisors from Placer County, and the City/Town Councils from the Cities/Town set out above shall respectively appoint such member(s) and not less than one alternate member. The term of office of each Board Member and respective alternate may be terminated at any time by the appointing Board of Supervisors or City/Town Council. The designated alternate shall have authority to attend, participate, and vote at any meeting of the Board whenever the regular member, for whom they are designed to act as an alternate, is absent from the meeting.

B. Quorum. The majority of the members of the Board shall constitute a quorum. No action may be taken by the Board unless a quorum is present, except that less than a quorum may adjourn a meeting from time to time.

C. Powers and Function of Board. The Board will exercise governance, policy guidance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. Action by the Authority Board will be taken by majority vote of the Board Members present. However, as

described in Section 8, upon request of a Board Member, a weighted vote by shares will be conducted.

D. Chairperson. The Chairperson and Vice Chairperson of the Board shall be selected by the Board from its members. The term of office of the Chairperson and Vice Chairperson shall each be one calendar year.

E. Secretary. The Board shall appoint a Secretary to the Board who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

F. Meetings. All meetings of the Board shall be held subject to the provisions of the Ralph M. Brown Act, Division 2, Chapter 9 of the California Government Code (hereafter, the "Brown Act"). The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.

G. Bylaws. The Board shall adopt bylaws for the conduct of business that shall not be inconsistent with the provisions of this Agreement, and the laws of the State of California.

H. Board Member Compensation. Board Members shall serve without compensation from the Authority. However, Board Members may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Board Members.

Section 6. Executive Director and Other Staff

A. Executive Director. The Board shall appoint an Executive Director for the Authority, who shall be responsible for the day-to-day operation and management of the Authority. The Executive Director may exercise all powers of the Authority, except the powers specifically set forth in Section 4, or those powers that by law must be exercised by the Board. The Executive Director shall hire and supervise any Authority employees or consultants.

B. Executive Director Reports to the Board. The Executive Director shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Board on the operations of the Authority during the preceding fiscal quarter. The Bylaws shall specify the information to be included in the Executive Director's reports.

C. Services Providers. The Executive Director may appoint one or more services providers to serve as the Authority's agent(s) for planning, implementing, operating and administering the PACE Program, the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed administrative services provider or providers (a "Services Agreement"). The appointed services provider may be one of the Voting Members. A Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the PACE Program, the CCA Program and other approved programs. The Services Agreement shall set forth the term of the Agreement and the circumstances under which the Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the PACE Program, the CCA Program or any other program.

D. Independent Monitor. The Board may appoint or contract for the services of an independent monitor to review programs operated by the Authority and to report to the Board.

E. Advisory Commissions, Boards or Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees.

Section 7. Treasurer and Auditor-Controller

The Placer County Treasurer shall act as the Treasurer for the Authority. The Treasurer shall be the depository of the Authority and shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The duties and obligations of the Treasurer are further specified in Section 9. The Auditor-Controller of the County of Placer shall be the Auditor-Controller of the Authority and shall make or contract with a certified public accountant to make an annual audit in compliance with Section 6505 of the Act.

Section 8. Special Voting Requirements and Voting Shares

A. Involuntary Termination or Amendment. Action of the Board on the matters set forth in Section 14A (involuntary termination of a Member), or Section 18 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of the Board Members; provided, however, that for votes to involuntarily terminate a Member under Section 14A, the Board Member(s) for the Member subject to involuntary termination may not vote, and the number of Board Members constituting two-thirds of all Board Members shall be recalculated as if the Voting Member subject to possible termination were not a Voting Member.

B. Eminent Domain. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least two-thirds of all Board Members.

C. Contributions by Members. The imposition on any Member of any obligation to make contributions or pledge assets as a condition of continued participation in the PACE Program, the CCA Program, or other energy programs shall require a vote of at least two-thirds of all Board Members and the approval of the governing boards of the Members and Associate Members who are being asked to make such contribution or pledge.

D. Calculation of Voting Shares. If a request for weighted vote is made by any Board Member, each Board Member shall have a voting share determined by Annual Energy Use Divided by Total Annual Energy, multiplied by 100. "Annual Energy Use" means the annual electricity usage, expressed in kilowatt hours ("kWh") within the Member's respective jurisdiction, and "Total Annual Energy" means the sum of all of the Members Annual Energy Use. All measures of kilowatt hours shall be set using the electric load forecast upon which the current annual budget was based. If a Member has more than one Board Member, then the voting shares allocated to the entity shall be equally divided amongst its Board Members.

Section 9. Financial Provisions

A. Fiscal Year. For the purposes of this Agreement, the Authority shall have such fiscal year from July 1 to and including the following June 30.

B. Depository. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Member or any other person or entity. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Members at all reasonable times. The Board shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

C. Expenditures. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

D. Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets

of the Authority shall be approved by the Board in accordance with the Operating Rules and Regulations.

E. Funding of Initial Costs. The County of Placer has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these initial costs paid by the County of Placer shall be included in the customer charges for electric services as provided by Section 14 to the extent permitted by law, and the County of Placer shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Placer shall provide such documentation of costs paid as the Board may request. In the event that the CCA Program does not become operational, the County of Placer shall not be entitled to any reimbursement of the initial costs it has paid from the Authority or any Member.

F. CCA Program Costs. The Members desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

Section 10. Implementation Action and Authority Documents

A. Each Member shall adopt an ordinance or resolution in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Member intends to implement a CCA Program by and through its participation in the Authority.

B. Each Member that wishes to participate in the CCA Program shall adopt a resolution expressing its desire to become a Member to this Agreement, and its intention to have the territory of the Member's jurisdiction included in the service territory of the CCA.

C. Each New Voting Member that wishes to participate in the PACE Program shall adopt a resolution authorizing it to become a Voting Member under this Agreement. Execution by such New Voting Member of this Agreement shall constitute consent to Authority undertaking contractual assessment proceedings under Chapter 29 for all of the properties in such New Voting Member's incorporated area and to the contractual assessment financing of certain improvements (as enumerated from time to time in Chapter 29, "Improvements") by Authority, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to the Authority's PACE Program, and to the assumption of jurisdiction thereover by Authority for the purposes thereof. Execution by such New Voting Member of this Agreement shall also serve to authorize Authority to take each step required for it to provide contractual assessment financing for the Improvements, including the levying, collecting and enforcement of contractual assessments to finance the Improvements and the issuance and enforcement of bonds and other financing instruments to represent and be secured by such contractual assessments.

The New Voting Members shall not be required to adopt a PACE Agreement and shall not be subject to the rights and obligations set forth therein, but shall instead, upon becoming Voting Members hereunder, be subject to the rights and obligations expressly set forth herein.

The Authority may additionally provide PACE Programs pursuant to Chapter 29 within the boundaries of non-voting Associate Members, as described further in Section 16 herein.

D. Implementation Plan and Statement of Intent. The Authority shall cause to be prepared an Implementation Plan and Statement of Intent meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations. The Implementation Plan and Statement of Intent shall specify the service territory of the CCA to be within the boundaries of the Member jurisdictions that have taken the actions specified in A and B above. The Implementation Plan and Statement of Intent shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 5.

If a City within the boundaries of Placer County adopts an ordinance and resolution pursuant to A and B above, expressing its desire to become a Member to this Agreement subsequent to the filing of the then most recently filed Implementation Plan and Statement of Intent, the Board shall direct the preparation and filing of a new or amended Implementation Plan and Statement of Intent to include the territory of the City as soon as reasonably practicable. The Board may require the City to pay the cost of preparation and submission of the Implementation Plan and Statement of Intent. Upon Public Utilities Commission certification of the new or amended Implementation Plan and Statement of Intent by the Public Utilities Commission, the Board shall take an action to approve the membership of the City. The City shall then be entitled to all rights under this Agreement, including a seat on the Board and voting rights pursuant to Section 5.A and Section 8.

E. Termination of CCA and PACE Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA or the PACE Program at any time in accordance with any applicable requirements of state law.

F. Authority Documents. The Members acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Members agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Members' right to withdraw from the Authority as described in Section 14.

Section 11. Records and Reports

The Board shall establish reporting requirements and direct staff to maintain such reports, including, but not limited to, funds and accounts as may be required by good accounting practice or by law. All books and records of the Authority shall be open to inspection at all reasonable times by any Member to this Agreement or its representatives. Annual audits of the Authority's

accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

Section 12. Debts, Liabilities and Obligations

The Authority is a public agency separate from the Members. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Members unless the governing board of a Member agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Member who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Members agree to assume the debt, liability or obligation of the Authority. Should any debt, liability or obligation of the Authority not be waived or allowed payable through assets of the Authority, none of the County or City members shall be liable, except as provided by Government Code sections 895 through 895.8.

Section 13. Insurance and Indemnity

The Authority shall acquire and maintain such insurance coverage as is necessary to protect the interests of the Authority, the Members, and the public. The insurance shall also contain a written endorsement to such policy or policies, which names each of the [Voting Members] as additional insureds. The Authority shall defend, indemnify, and hold harmless the Members, and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

Section 14. Withdrawal

A. Right to Withdraw by Voting Member. A Voting Member may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 12 months advance written notice of its election to do so, which notice shall be given to the Authority and each Voting Member. Withdrawal of a Voting Member shall require an affirmative vote of its governing board.

B. Right to Withdraw By Voting Member After Amendment. Notwithstanding Section 14A, a Voting Member may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Board Member appointed as a Voting Member voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Member shall require an affirmative vote of its governing board and shall not be subject to the twelve month advance notice provided in Section 14A. In the event of such withdrawal, the Member shall be subject to the provisions of Section 15B.

C. Continuing Liability; Further Assurances. A Voting Member that withdraws its participation in the CCA Program may be subject to certain continuing liabilities, as described in Section 15B. The withdrawing Voting Member and the Authority shall

execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Voting Member from participation in the CCA Program.

D. Withdrawal of Associate Member. The rights of an Associate Member to withdraw from the Authority shall be governed by the applicable PACE Agreement or CCC Agreement.

Section 15. Termination

A. Involuntary Termination of a Member. Participation of a Member in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Member's participation in the CCA Program upon a vote of Board Members as provided in Section 8A. Prior to any vote to terminate participation with respect to a Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Member has allegedly violated. The Member subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Member that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 15B.

B. Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Member, the Member shall remain responsible for any claims, demands, damages, or liabilities arising from the Member's membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Member shall not be responsible for any liabilities arising after the date of the Member's withdrawal or involuntary termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Member may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Member's load. With respect to such liability, upon notice by an Member that it wishes to withdraw from the program, the Authority shall notify the Member of the minimum waiting period under which the Member would have no costs for withdrawal if the Member agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Member elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Member also shall be responsible for any costs or obligations associated with the Member's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of

the Member. The Authority may withhold funds otherwise owing to the Member or may require the Member to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board, to cover the Member's liability for the costs described above. Any amount of the Member's funds held on deposit with the Authority above amounts not required to pay any liabilities or obligations shall be returned to the Member. The liability of any Member under this section 15B is subject and subordinate to the provisions of Section 12, and nothing in this section 15B shall reduce, impair, or eliminate any immunity from liability provided by Section 12.

C. Mutual Termination. This Agreement may be terminated by mutual agreement of all the Voting Members; provided, however, the foregoing shall not be construed as limiting the rights of a Associate Member to withdraw its participation in the CCA Program, as described in Section 14A.

D. Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Voting Members in proportion to the contributions made by each. If no such contributions have been made, then such surplus after payment of all liabilities, costs, expenses, and charges shall be distributed based on the weighted voting shares pursuant to Section 8D. However, no termination of this Agreement shall be effective until the full retirement of any outstanding debt. Any Voting Member may fund the retirement of the debt for the purpose of terminating the Authority.

E. Negotiations with Associate Members. If the Voting Members wish to terminate this Agreement, or if the Voting Members elect to withdraw from the CCA Program following an amendment to this Agreement as provided in Section 14B, but two or more Associate Members wish to continue to participate in the CCA Program, the Voting Members will negotiate in good faith with such Associate Members to allow the Associate Members to become the Voting Members to this Agreement or to effect a transfer of CCA Program operations to another entity.

Section 16. Associate Members

With the approval of the Board, any qualified public agency (as defined by Section 6500 of the JPA law) may become a non-voting Associate Member of this Agreement for purposes of participating in the CCA Program. A public agency requesting such membership may apply by presenting to the Authority a resolution of the public agency approving of this form of participation.

Any qualified public agency (as defined by Section 6500 of the JPA law) may become a non-voting Associate Member of this Agreement for purposes of participating in the PACE Program upon (i) such qualified public agency (a) adopting a resolution expressing its desire to become a non-voting Associate Member to this Agreement and authorizing the implementation of a PACE

Program within the boundaries of its jurisdiction and (b) executing a PACE Agreement and (ii) the Board approving the qualified public agency as a non-voting Associate Member.

The date and terms upon which the applying public agency will become a non-voting Associate Member will be determined by the Board and set forth in a CCA Agreement or PACE Agreement, as applicable.

Section 17. Termination of Powers

The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, and thereafter shall continue to exercise only such powers as to enable it to pay and discharge all costs, expenses, and charges legally incurred hereunder, and to dispose of, divide and distribute any property required as a result of the joint exercise of such powers.

Section 18. Disposition of Assets; Property and Money

Upon termination of this Agreement under Section 14, all costs, expenses, and charges legally incurred by the Authority shall be paid and discharged; and the Authority shall sell such property as may be necessary and shall distribute to the federal or State government such property and funds as are lawfully required; the balance of such property and any surplus money on hand shall be distributed or returned in proportion to contributions made by the affected Members except to the extent otherwise agreed upon by the affected Members.

Section 19. Amendments

This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 8. The Authority shall provide written notice to all Members of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments. Any amendment required to add a new Voting Member shall only be executed by the Voting Members. Any amendment required to add a new Associate Member shall only be executed by the new Associate Member and the Authority.

Section 20. Severability

Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions of provisions shall not be affected thereby.

Section 21. Entire Agreement

This Agreement contains the entire agreement between the Members and supersedes all prior understanding between them with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations, oral or written, between or among the Members relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligation under this Agreement be waived, except as provided in Section 19.

Section 22. Counterparts and Effective Date

This Agreement may be executed in counterparts and be as valid and binding as if each Member signed the same copy. A faxed copy of the executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the date the second member has executed the Agreement.

WITNESS THE AGREEMENT HEREOF the date set opposite our respective entities:

EXECUTED ON

By _____
Chairman, Board of Supervisors

COUNTY OF PLACER, a political subdivision

And approved as to form _____

ATTEST:
_____

EXECUTED ON

By _____

Mayor, City Council

CITY OF COLFAX, a Municipal Corporation

And approved as to form _____

ATTEST:
_____