

SECO MEMORANDUM OF UNDERSTANDING
(To be used only when submitting a PEA or Project Assessment Commitment)

Subject to the conditions listed below, execution of this Memorandum of Understanding (MOU) reserves \$ _____ of LoanSTAR Funding for

_____ until _____
Borrower Date

The dollar amount listed above is the borrower's estimated cost based on the Preliminary Energy Assessment (PEA) to analyze and implement energy efficiency projects which will be financed through the LoanSTAR Program.

The funds are reserved subject to the following conditions:

- (1) Upon written NOLFA selection, the borrower's CFO signs and inserts dates on this MOU, which certifies that the borrower has retained a Professional Engineer to prepare an Energy Assessment Report (EAR) or Utility Assessment Report (UAR). The EAR shall be prepared in accordance with the guidelines and formats provided in the Texas LoanSTAR Program Guidebook: Guidelines, Formats, Program Requirements and Documents (http://www.seco.cpa.state.tx.us/ls/ls_guideline.php). The UAR shall be prepared in accordance with the SECO Performance Contracting Guidelines (http://www.seco.cpa.state.tx.us/sa/ESPC_Guidelines_Part5_UtilityAssessmentReport.pdf).
- (2) The applicant's CFO certifies by signature of this document that three (3) hard copies and one (1) electronic copy of the completed reports referenced in item 1 will be delivered to the State Energy Conservation Office for review. If these items are not submitted by the date above, the reserved funds will be released to other applicants.
- (3) The sole purpose of this MOU is to reserve LoanSTAR funds for an applicant during the period that its EAR or UAR is being prepared. This document should not be construed as a loan agreement and does not authorize the expenditure of funds for LoanSTAR projects. LoanSTAR project expenditures cannot be incurred before the effective date cited in the fully executed loan agreement.

Applicant's Name

State Energy Conservation Office

Printed Name:

Printed Name:

Title

Title

Signature Date

Signature Date