

1 James Swiderski  
2 325 W. Washington Street #2125  
3 San Diego, CA 92103  
4 Attorney for Plaintiff  
5 Patti Wyatt

**ELECTRONICALLY FILED**  
Superior Court of California,  
County of San Diego  
**07/30/2018** at 10:23:24 AM  
Clerk of the Superior Court  
By Jacqueline J. Walters, Deputy Clerk

6 **SUPERIOR COURT OF CALIFORNIA**  
7 **FOR THE COUNTY OF SAN DIEGO**

8 PATTI WYATT, an individual,

9 Plaintiff,

10 v.

11 RENEW FINANCIAL GROUP, LLC, a  
12 Delaware limited liability company and  
13 DOES 1-20.

14 Defendants.

Case No.: 37-2018-00037983-CU-OR-CTL

**CLASS ACTION COMPLAINT**

**COMPLAINT FOR INJUNCTIVE  
RELIEF**

**(1) VIOLATION OF CIVIL  
CODE Section 1804.1(j)**

**(2) VIOLATION OF  
BUSINESS &  
PROFESSION CODE  
Section 17200**

Judge:

Date Action filed:

Date set for trial:

21 **I. NATURE OF THE CASE**

22  
23 1. Plaintiff Patti Wyatt is a 69 year old California homeowner living at 931 Arriba  
24 Avenida, Imperial, California 91932. Her husband of many years passed away years ago leaving  
25 her with a beautiful home and a small pension plan. Each month between Social Security and  
26 her late husband's pension Ms. Wyatt brings in \$2,720.99 (social security payment of \$1632 a  
27 month and \$1088.99 pension). This pension is the sole source of her living expenses.  
28

COMPLAINT

1           2. As a result of shortfalls in living expenses each month Ms. Wyatt accumulated  
2 substantial credit card debt. By 2016 Ms. Wyatt was heavily indebted and severe financial  
3 distress. It was at this time that she was solicited at her home to hire a contractor to remodel her  
4 home with energy efficient improvements to be financed by the California First program, a  
5 PACE loan program originated and funded by defendant Renew Financial Group, LLC  
6 (RENEW). She signed an application for the program at her home, a copy of which is attached  
7 at Exhibit A to this complaint. The application incorporates by reference RENEW's program  
8 manual which provides a complete description of its operations. A true and correct copy of that  
9 manual is attached as Exhibit B to this complaint. The version attached is the most recent  
10 version, but on information and belief the program manual in effect at the time that Plaintiff  
11 signed up for the financing was substantially similar.

12           3. Notwithstanding her massive debt, Patti Wyatt was convinced to borrow \$36,000  
13 to pay for the installation of Solar Energy Panels to be repaid at a high interest rate over 20 years.  
14 The money to pay was to be loaned to her by RENEW and was secured by a 1<sup>st</sup> lien on her  
15 home in the form of a PACE assessment lien. A true and correct copy of her assessment lien is  
16 attached as Exhibit C to this complaint. Her monthly property tax bill went up by hundreds each  
17 month, far beyond her ability to pay.

18           4. RENEW markets and advertises the benefits of energy efficient home remodeling, like  
19 the installation of solar panels on Patti Wyatt's home. According to RENEW itself. It's efforts  
20 at advertising for such home improvement work have been very successful. It credits its efforts  
21 for inducing tens of thousands of home owners throughout California to complete energy  
22 efficient home improvement projects. It maintains a website which it makes available to home  
23 improvement contractors who wish to participate in its advertising program. Contractors can  
24 sign into the website, along with prospective client and confirmed clients, and the prospective  
25 clients can learn about the many benefits of energy efficient home remodels, along with the use  
26 of the California First Pace loan program created and maintained by RENEW to provide the  
27 financing for those improvements. Marketing materials are provided to contractors for their  
28 mutual use in selling the home improvement work and the RENEW financing mechanism to  
California homeowners.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

5. RENEW handles all of the underwriting for the loans and makes the actual loans involved. The contractor does not lend any money to the homeowner. Under its business model, RENEW does not purchase loans already made by a contractor, but rather provides financing services directly to homeowners for use in paying for energy efficient home improvements. RENEW is not an assignee of the contract between the homeowner and the contractor. RENEW pays the contractor in full immediately on completion of the work. Plaintiff is not alleging any breach of the terms and conditions of the home improvement contract with the contractor that actually performed the installation. The sole violation of the Unruh Act alleged in this complaint is that RENEW sold services in connection with the improvement of real property that improperly resulted in a lien on Patti Wyatt's home in violation of Civil Code section 1804.1.

6. RENEW's joint marketing efforts with contractors encourages contractors to sell home improvement contracts and the RENEW financing mechanism by means of at home solicitation of homeowners. Plaintiff is informed and believes, that until prohibited by a recent change in law, RENEW has provided contractors with the maximum home equity a potential customer has available, and other basic biographical information about potential customers to include the age of the prospective client homeowner. It is aware that a sizable number of its customers are elderly homeowners. RENEW's program manuals acknowledges that the company tracks all of its borrowers who are age 65 and calls each one to ensure that the client understands the terms of its home improvement lending program. It is aware that the signatures on its program applications are from elderly homeowners by way of electronic signature and that in most cases these signatures are made from the senior citizen's home and not from an appropriate trade premises of the business. On information and belief, at home solicitation is the major source of business for the company and contractors engaged in joint marketing efforts with the company.

7. RENEW's lien / security interest takes the form of a property tax assessment against the customer's home. The law that created PACE in California permits municipalities to offer limited obligation bonds for the purpose of financing clean energy projects and to provide for

1 repayment of those bonds from a voluntary special assessment of property taxes secured by a  
2 first priority lien on the homeowner obtaining the improvements. RENEW has contracted with  
3 municipalities to administer the program. No government money is used at any time in the  
4 process. All funds for the program are provided by private investors. The net effect and  
5 substance of the program is to give a private lender (RENEW) a first priority lien (the PACE  
6 assessment) to secure repayment of money the private lender (RENEW) paid to a contractor to  
7 construct clean energy home improvements on the homeowner's residence. The substantive  
8 effect of RENEW's financing scheme is that of a private lender renting out the government's  
9 authority and power to collect money via its property tax procedures.

10 8. RENEW is a seller of services provided in connection with the improvement of real  
11 property under Civil Code section 1802.2 and is thus a seller obligated to abide by the provisions  
12 of the Retail Installment Sales Act or "Unruh Act".

13 9. California Civil Code section 1804.1(j) voids any security interests / liens resulting  
14 from an at home solicitation of an elderly California Homeowner for home improvement  
15 services. By this lawsuit Patti Wyatt seeks to void the lien on her property obtained as a result of  
16 RENEW's marketing and sale of home improvement remodeling services and related financing  
17 at a location other than premises where either the owner or seller normally carries on a business,  
18 or where goods are normally offered or exposed for sale in the course of a business carried on at  
19 those premises. She seeks attorney's fees which are granted under Civil Code section 1811.11  
20 which provides for prevailing party attorney fees to a party that proves a Civil Code section  
21 1804.1(j) violation.

22 10. The prohibition on liens / security interests on elderly Californian's homes does not  
23 apply to lenders already subject to the licensing and supervisory authority of the State or Federal  
24 government. RENEW as a program administrator for the newly created PACE program was and  
25 is not subject to any supervision or licensure by any government agency. RENEW was not a  
26 licensed lender exempt from the Retail Installment Sales Act at the time it solicited / contracted  
27 with Patti Wyatt, or the members of the class of similarly situated persons Ms. Wyatt seeks to  
28 represent in the putative class. Civil Code section 1801.6 exempts "supervised financial

1 organizations” from the Unruh Act. The logic is that the detailed scope of regulation over these  
2 lenders supervised by governmental entities negates the need for the additional restrictions of  
3 Unruh. Here, the PACE program was not subject to regulation by any governmental entity until  
4 the passage of AB 1284 and SB 242 in 2017. By its terms, regulatory oversight over lenders  
5 like Renew (“PACE Program Administrators”) will not take effect until January 1, 2019.  
6

## 7 **II. JURISDICTION and PARTIES**

8 11. Plaintiff Patti Wyatt is a resident of the state of California and lived in San Diego  
9 County at all times relevant to this lawsuit.  
10

11  
12 12. Defendant RENEW is a Delaware LLC with its principal place of business and  
13 headquarters / corporate nerve center in Oakland, California.  
14

15  
16 13. The real property at issue is located in San Diego County. The solicitation by  
17 RENEW for the home improvement work and RENEW’s financing of that work took place at  
18 Plaintiff’s home located in the County of San Diego, California. Therefore, jurisdiction of this  
19 court is proper. Venue is proper under California Civil Code section 1812.10 (“(a) An action on  
20 a contract or installment account under this chapter shall be tried in the superior court in the  
21 county where the contract was in fact signed by the buyer, where the buyer resided at the time  
22 the contract was entered into, where the buyer resides at the commencement of the action, or  
23 where the goods purchased pursuant to the contract have been so affixed to real property as to  
24 become a part of that real property”.)  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**III. THE PRIVATE NATURE OF RENEW’S CALIFORNIA  
FIRST PACE PROGRAM**

14. The governments that have created the PACE programs provide no financing whatsoever. The structure of RENEW’s PACE lending programs indicates that it is exclusively a program by which a private lender extends credit to consumers for energy efficient home repairs. Government involvement is limited to giving the private entities like defendant RENEW, the tools of collection available to government in the collection of its secured property tax obligations.

15. The master indenture agreements which set forth the nature of the municipal bonds being sold to finance the PACE program all have a clause which makes property owners’ homes, Ms. Wyatt’s home, the exclusive source of repayment to the PACE investors. On information and belief, the following is language believed to be in all of the bonds securing PACE financing throughout the state of California by all municipalities operating a PACE program:

Section 3.02. Limited Obligation. All obligations of the County under the Indenture and the Bonds are not general obligations of the County, but are limited obligations, payable solely from the Assessments and the funds pledged therefor hereunder. Neither the faith and credit of the County, the County nor of the State of California or any political subdivision thereof, is pledged to the payment of the Bonds. The Bonds are “Limited Obligation Improvement Bonds” under Section 8769 of the Bond Law and are payable solely from and secured solely by the Collateral, including the Assessments and the amounts in the Funds described in Section 3.01. Notwithstanding any other provision of the Indenture, the County is not obligated to advance available surplus funds from the County treasury to cure any deficiency in any Fund hereunder; provided, however, the County is not prevented, in its sole discretion, from so advancing funds.

1 MASTER INDENTURE between [government entity] / and [TRUSTEE] as  
2 Trustee Dated as of [Dated Date] Relating to:  
3 \_\_\_\_\_ County Energy Program  
4 Contractual Assessment Limited Obligation Improvement Bonds  
5 ([Tranche Identifier])  
6

7 16. The County's role in collection after default by the property owner is only to  
8 act according to the instructions of the investors like RENEW holding the right to  
9 payment from homeowners like Patti Wyatt:  
10

11 Section 5.08. Covenant to Foreclose. (a) The County will initiate procedures to  
12 determine or cause to be determined if any Assessment was not paid when due  
13 during the fiscal year ended the prior June 30. If any such assessment was not  
14 paid, the County shall, upon the written request of the Owners pursuant to Section  
15 9.02 hereof, send or cause to be sent a notice of delinquency (and a demand for  
16 immediate payment thereof) to the property owner, and if the delinquency  
17 remains uncured within 60 days of such notice, order and cause to be commenced,  
18 and thereafter prosecute to completion pursuant to Section 8830 et seq. of the  
19 California Streets and Highways Code, judicial foreclosure proceedings upon the  
20 lien of delinquent unpaid assessments as necessary or desirable to result in  
21 assessment Collateral sufficient to pay any delinquent principal of or interest on  
22 the Bonds and satisfy the Reserve Requirement. Upon the redemption or sale of  
23 the real property responsible for such delinquent Assessment Installments, or  
24 resale as provided below, the County shall deposit to the Reserve Fund, the  
25 amount of any delinquency advanced therefrom to the Redemption Fund for  
26 payment of interest on or principal of Bonds.

27 17. When RENEW requests in writing, the County must assign the judicial  
28 foreclosure action to a trustee so the bond owner can prosecute the foreclosure proceeds  
rather than the County:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

(e) Notwithstanding the foregoing, the County shall assign the causes of action and the foreclosure proceedings to a trustee upon receipt of a written request for assignment from the Owner of any Bond secured by an Assessment for which the Assessment Installments are delinquent, identification of the trustee to which such assignment is to be made and the agreement by such Owner to assume all costs and expenses of such foreclosure proceedings and the release of the County of its obligations pursuant to this Section 5.08 to prosecute such foreclosure proceedings.

18. Patti Wyatt’s home is the “collateral” mentioned above. Investors like RENEW understand that their only recourse is against the individual property owners like Patti Wyatt:

(j) The Purchaser acknowledges that the obligations of the County to make debt service payments on the Bonds are limited obligations payable solely from Collateral under the Indenture and the County shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the County for all or any portion of such debt service.

19. No warranties are provided that any particular lien / voluntary assessment was not obtained by fraud or violation of consumer protection law. The risk is placed squarely on the PACE investor like RENEW.

The County represents and warrants to the Purchaser as follows:

a. The County is, and will be on the date of Closing, a political subdivision of the State of California (the “State”) organized and operating pursuant to the Constitution and laws of the State with the full power and authority to adopt the Resolutions, execute and deliver the Indenture, the Assessment Contracts and this

1 Bond Purchase Agreement (collectively, the Legal Documents) and to carry on  
2 its business as presently conducted.

3  
4 b. By official action of the County, prior to or concurrently with the  
5 acceptance hereof, the County has adopted the Resolutions and duly authorized  
6 and approved the execution and delivery of, and the performance by the County  
7 of the obligations on its part contained in, the Legal Documents to be executed by  
8 it and the consummation by it of all other transactions contemplated by the Legal  
9 Documents.

10 c. The Legal Documents will have been, as of the date of Closing, duly  
11 authorized, executed and delivered by the County and constitute legal, valid and  
12 binding agreements of the County, enforceable in accordance with their respective  
13 terms, except as enforcement thereof may be limited by bankruptcy, insolvency or  
14 other laws affecting enforcement of creditors' rights generally<sup>1</sup> and by the  
15 application of equitable principles if equitable remedies are sought.

16 20. The County makes no representations or warranties regarding the validity of  
17 the "Assessment Contracts". The investors buying the bonds take that risk:

18  
19 c. The Purchaser is a "Qualified Institutional Buyer" as defined in Rule  
20 144A under the Securities Act of 1933, as amended (the "Securities Act"), or an  
21 "Accredited Investor" as defined in Rule 501 of Regulation D under the Securities  
22 Act, and has sufficient knowledge and experience in financial and business  
23 matters, including purchase and ownership of municipal obligations of a nature  
24 similar to the Bonds, and is capable of evaluating the merits and risks of its  
25 investment in the Bonds. The Purchaser is purchasing the Bonds with a full  
26 understanding of all the terms and risks thereof and is able to bear the economic  
27 risk of, and entire loss of, an investment in the Bonds.

28 

---

<sup>1</sup> Creditors' rights are affected generally by the Unruh Act.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

21. Understanding the economic realities of the transaction at issue will put to rest any argument that the private investors / lenders like RENEW which profit off of the high interest loans improperly sold via aggressive in home solicitation to elderly California widows are somehow entitled to a special “governmental” exemption from the consumer fraud and abuse protections applicable here. The purchasers of the bonds are earning generous rates of return. Interest rates paid by homeowners like Patti Wyatt are typically 8-10% per annum. The loans / assessments are secured in a first priority position and are prioritized over 1<sup>st</sup> mortgages, an advantage that has led the FHA to prohibit its loans being made on any property subject to an existing PACE lien.

22. Until very recently there was no requirement that the program administrators determine a borrower’s ability to repay the debt they are incurring. The only criteria was whether there was sufficient equity to make the loan completely risk free. There was no limit on the ability of RENEW or other program administrators to solicit applications for these loans in connection with the promotion of energy efficient home improvement remodels. Only as of April 2018 was an “ability to pay” standard added into the law. Only in April of 2018 was the self- interested “PACE solicitor” salesforce subject to regulation by the state. Only as of January 1, 2019 will the program administrators be subject to state supervision in the form of their regulation by the California Department of Business Oversight.

23. The lack of governmental oversight combined with a focus on equity led to targeting of Californians with a lot of equity in their home, and unfortunately, a lot of those folks were elderly who worked their whole lives to pay off their mortgage so they might have some sense of security in retirement.

Patti Wyatt is one such homeowner.

24. In enacting the prohibition on senior citizens agreeing to the inclusion of security interests on their homes as part of a home improvement contract / solicitation the

1 legislature specifically intended to prevent the kind of harm caused to Ms. Wyatt. From  
2 the Senate analysis discussing the prohibition on security interests in solicited home  
3 improvement contracts:

4  
5 DIGEST : This bill prohibits the seller of a home  
6 improvement contract from taking a security interest (other  
7 than a mechanics lien) on the principal residence of a  
8 buyer who is 65 years of age or older.

9  
10 ARGUMENTS IN SUPPORT : According to the author, a number  
11 of elderly homeowners in Los Angeles and the Bay Area have  
12 lost their homes to home improvement contractors who  
13 persuade the homeowner to take a loan against their home to  
14 finance improvements sold and provided by the contractor.

15 In many cases, the so-called improvement is not really  
16 needed but is purchased as a result of persuasive  
17 salesmanship. When the homeowner defaults on the loan  
18 payment, whether because the large monthly payments or  
19 large balloon payments were not properly disclosed to the  
20 homeowner, the contractor or person who purchased the lien  
21 moves to foreclose on the property.

22 According to the Consumers Union (CU), their October 1995  
23 Report, "Dirty Deeds: Abuses and Fraudulent Practices in  
24 California Home Equity Market," chronicled how Californians  
25 lose homes to home equity loan schemes. One of the largest  
26 areas of abuse, according to CU, "occurs in the home  
27 improvement retail installment sales contracts scenario  
28 where a home is used for security to pay for home  
improvement services."

The author says the best protection against these practices

1 is to stop the sellers of home improvement contracts from  
2 taking a security interest in real property where the  
3 property is the buyer's primary residence. According to  
4 the sponsor, Bet Tzedek Legal Services, legitimate  
5 contractors do not seek a security interest on their  
6 contracts because unsecured loans for small home  
improvement projects are readily available to homeowners.

7  
8 04/14/99- Senate Floor Analyses of SB 187

9  
10 25. RENEW is not an exempted financial institution under any of the applicable  
11 exemptions provided under Civil Code section 1801.6(b)(exempting supervised financial  
12 organizations from Unruh)

13  
14  
15 **IV. CLASS ACTION ALLEGATIONS**

16 26. Patti Wyatt brings this cause of action on behalf of herself and as a class  
17 representative consisting of a class of: All persons who were age 65 or older at the time they  
18 signed a PACE assessment contract with RENEW FINANCIAL GROUP, LLC placing an  
19 assessment lien on residential real property located within the state of California from the date of  
20 filing of this complaint going back 4 years.

21  
22  
23 27. This class action seeks (1) an injunction against defendant RENEW and / or any  
24 other assignee having the contractual right to enforce the PACE assessment lien prohibiting it  
25 from initiating collection procedures on any delinquent assessment by a class member without a  
26 prior judicial determination that the assessment lien was not obtained as a result of a violation of  
27  
28

1 Civil Code section 1804.1; and (2) with respect to any funds that are paid to or collected by  
2 RENEW or other assignee as a result of any assessment lien by a class member, an injunction  
3 requiring that any such funds be held in trust and not be paid or released to any party without a  
4 prior judicial determination that the assessment lien was not obtained as a result of a violation of  
5 Civil Code section 1804.1.  
6

7  
8 28. Members of Defendants' immediate families, officers, directors, employees of  
9 Defendants and any subsidiary affiliate entity in which a Defendants have a controlling interest,  
10 and the legal representatives, heirs, successors and assigns of any excluded person or entity are  
11 excluded from the class.  
12

13  
14 29. Plaintiff's claims are identical to those of the class.  
15

16 30. Plaintiff will fully and adequately protect the interests of the class members, and has  
17 retained competent class counsel to prosecute the action. Plaintiff has no interests  
18 which are contrary to or in conflict with those of the class she seeks to represent. The number  
19 and identity of the members of the class are determinable from Defendants' records.  
20

21  
22 31. Plaintiff knows of no difficulty to be encountered in the management of this  
23 action which would preclude its maintenance as a class action. Relief concerning plaintiff's  
24 rights under the laws alleged herein and with respect to the class would be appropriate.  
25

26  
27 32. A class action is superior to other methods for the fair and efficient adjudication  
28

1 of litigation, since individual joinder of all members of each class is impracticable. Even if any  
2 class member could afford individual litigation, it would be unduly burdensome to the individual  
3 Individual litigation magnifies the delay and expense to all parties. By contrast, the class  
4 action device presents far fewer management difficulties and provides the benefits of unitary  
5 adjudication, economies of scale, and comprehensive supervision by a single court.  
6  
7 Concentrating this litigation in one forum would promote judicial economy and efficiency and  
8 promote parity among the claims of individual class members as well as judicial consistency.  
9

10  
11 33. A class action presents fewer management difficulties than individual litigation,  
12 conserves the resources of the parties and the court system and protects the rights of each class  
13 member. A decision as to the applicability of the Civil Code section 1804.1 to RENEW's PACE  
14 program can be made once and provide a consistent outcome for all future litigants. Absent class  
15 certification this issue could be decided inconsistently among different courts.  
16

17  
18 34. The common question of law and fact to be determined in the class litigation is  
19 whether RENEW is a seller of services provided in connection with the improvement of real  
20 property under Civil Code section 1802.2 and is thus a seller obligated to abide by the provisions  
21 of the Retail Installment Sales Act or "Unruh Act", and if so, whether a PACE Assessment lien  
22 can be rendered unenforceable as to RENEW or its assignees pursuant to Civil Code section  
23 1804.1.  
24

25  
26 35. There is a well defined community of interests in the question of law and fact  
27 between plaintiffs and the class. Questions of law and fact common to the members of the  
28

1 aforesaid class predominate over any questions which may affect only individual members, in  
2 that Defendants have acted on grounds generally applicable to the entire class.  
3

4  
5 36. Plaintiff anticipates that RENEW will challenge her eligibility to act as class  
6 representative by means of a motion to compel arbitration. There is no arbitration clause in any  
7 of the written materials that RENEW provides to homeowners applying for financing of home  
8 improvement services. RENEW Program Application attached at Exhibit A. RENEW Program  
9 Manual attached at Exhibit B. There is a dispute resolution section which discusses negotiation  
10 procedures only. Exhibit B at page 25 of 29. There is no arbitration clause in the assessment  
11 contract signed by Patti Wyatt. Exhibit C attached to this Complaint. The contract between  
12 Patti Wyatt and the contractor here did contain an arbitration clause but it is applicable only as to  
13 disputes between Ms. Wyatt and the contractor. Ms. Wyatt is not suing the contractor. She is  
14 not alleging any problem with the contractor's work on the matter. She is alleging no breach of  
15 any of the terms and conditions of the contract. Her claim is exclusively against RENEW, as a  
16 seller under the Retail Installment Sales Act, improperly taking a security interest in her real  
17 property in violation of the Unruh Act. The relationship between RENEW and its contractors is  
18 that of two parties involved in joint marketing efforts. RENEW itself disclaims any type of  
19 agency relationship with contractors it works with. A true and correct copy of the contractor  
20 agreement with RENEW, in which RENEW requires cooperating contractors to agree that they  
21 are not acting as an agent for RENEW is attached as Exhibit D to this complaint.  
22  
23  
24  
25  
26  
27  
28

1                   **FIRST CAUSE OF ACTION FOR RECISSION / AVOIDANCE OF**  
2                   **ASSESSMENT LIEN AS BEING IN VIOLATION OF**  
3                   **CIVIL CODE SECTION 1804.1(J)**

4                   (By Patti Wyatt individually and on behalf of a class of similarly situated persons Against  
5                   Defendants RENEW and DOES 1-20)

6                   37. All prior paragraphs are incorporated herein by reference as is set forth in full.

7  
8                   38. Civil Code section 1689.8 provides that: (a) Every home solicitation contract or  
9 offer for home improvement goods or services which provides for a lien on real property is  
10 subject to the provisions of Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of  
11 Division 3.

12  
13  
14                   39. Section 1804.1(j) provides that No contract or obligation shall contain any provision  
15 by which: The seller takes a security interest, other than a mechanics' lien, in the buyer's real  
16 property which is the buyer's primary residence where the buyer is a person who is 65 years of  
17 age or older and the contract is for a home improvement.

18  
19  
20                   38. RENEW as seller of services in connection with improvements on real property  
21 improperly solicited Patti Wyatt at her home in violation of the code sections. The resultant  
22 security interest / lien is void.

23  
24                   39. Civil Code section 1804.2. makes the lien void as against any current holder of the  
25 right to foreclose: (a) An assignee of the seller's rights is subject to all equities and defenses of  
26 the buyer against the seller arising out of the sale, notwithstanding an agreement to the contrary,  
27  
28

1 but the assignee's liability may not exceed the amount of the debt owing to the assignee at the  
2 time of the assignment.

3  
4 40. RENEW and / or Dos 1-20 are the holders of the contractual right to enforce the lien,  
5 and / or the assignee currently holding the right to enforce the lien.  
6

7  
8 41. As to both Plaintiff Patti Wyatt and the class she represents, Plaintiff seeks an  
9 injunction: (1) against defendant RENEW and / or its assigns prohibiting it from initiating  
10 collection procedures on any delinquent assessment by a class member without a prior judicial  
11 determination that the assessment lien was not obtained as a result of a violation of Civil Code  
12 section 1804.1; and (2) with respect to any funds that are paid to or collected by defendant  
13 RENEW and / or its assigns as a result of any assessment lien by a class member, an injunction  
14 requiring that the funds be held in trust and not paid or released to any party without a prior  
15 judicial determination that the assessment lien was not obtained as a result of a violation of Civil  
16 Code section 1804.1.  
17

18  
19  
20 42. As to Patti Wyatt individually, a further declaration that the assessment lien was  
21 obtained in violation of Civil Code section 1804.1 in that she was age 65 years of older and her  
22 personal residence was encumbered by a lien as a result of being improperly solicited.  
23  
24  
25  
26  
27  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Class wide relief:**

3. As against RENEW and / or any assignee declaratory relief and an injunction for:

a. A determination that the PACE loan program and its assessment liens are “security interests” invalidated by failure to comply with Civil Code section 1804.1.

b. An injunction:

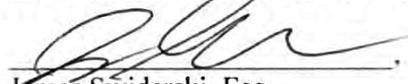
(1) against defendant RENEW and / or any assignee prohibiting it from initiating collection procedures on any delinquent assessment by a class member without a prior judicial determination that the assessment lien was not obtained as a result of a violation of Civil Code section 1804.1; and

(2) with respect to any funds that are paid to or collected by RENEW and / or any assignee as a result of any assessment lien by a class member, an injunction requiring that the funds be held in trust and not paid or released to any party without a prior judicial determination that the assessment lien was not obtained as a result of a violation of Civil Code section 1804.1.

c. payment of Reasonable attorney’s fees and costs under Code of Civil Procedure section 1021.5

Dated: July 30, 2018

LAW OFFICE OF JAMES SWIDERSKI



James Swiderski, Esq.  
Attorney for Plaintiff  
Patti Wyatt



## FINANCING APPLICATION

### Application Information

<b>CF-00055943</b> Application ID	<b>October 28, 2016</b> Application Date	
--------------------------------------	---	--

### Property Information

<b>Single Family Residential</b> Property Type		
<b>931 Arriba Avenida</b> Street Address		
<b>Imperial Beach</b> City	<b>CA</b> State	<b>91932</b> Zip

### Contractor Information

Contractor-Install       Self-Install

<b>Canopy Energy (San Diego)</b> Company Name <i>(Not Applicable if Self Install)</i>		
<b>8515 Arjons Drive Suite G</b> Street Address		
<b>San Diego</b> City	<b>State</b>	<b>92126</b> Zip

### Owner Information

<b>individual</b> Owner Type	<b>yes</b> Is Primary Contact for Application?	
<b>Patricia</b> First Name	<b>Wyatt</b> Last Name	<b>XXX-XX-XXXX</b> SSN
<b>XX-XX-XXXX</b> Birth Date	<b>(XXX)XXX-XXXX</b> Phone	<b>ibtpatti1@yahoo.com</b> Email
<b>931 Arriba Avenida</b> Mailing Street Address		
<b>Imperial Beach</b> Mailing City	<b>CA</b> Mailing State	<b>91932</b> Mailing Zip

### Maximum Eligible Project Amount

The Maximum Eligible Project Amount is the highest possible project amount for which you qualify with CaliforniaFIRST financing. Below is a list of requested products you want to install. If your Total Project Amount increases, you may need to re-sign new Financing Documents.	<b>\$81,072.73</b>
--	--------------------



**CaliforniaFIRST**  
EFFICIENCY FINANCING

Eligible Product(s)

	Product Type	Requested Project Amount
1	Solar Panels - With Monitoring	\$31,999.00
2	Solar Inverters	\$1.00
<b>Total Project Amount</b>		<b>\$32,000.00</b>



## FINANCING APPLICATION DISCLOSURE

Application ID: **CF-00055943**  
 Property Address: **931 Arriba Avenida**  
**Imperial Beach, CA 91932**

Under the CaliforniaFIRST program ("Program"), the California Statewide Communities Development Authority ("CSCDA") finances installation of renewable energy, energy efficiency and/or water efficiency products that are permanently fixed to real property ("Eligible Products"). Eligible Products will be financed by levying a contractual assessment and placing a lien on your real property. The assessment will be repaid by collecting payments through annual installments that will be included on your property tax bill, consistent with an assessment contract between CSCDA and the property owner(s) ("Assessment Contract"). As discussed below, these installments will include interest, fees, annual costs and other costs. The Program is administered by Renew Financial Group LLC ("Program Administrator"). The Program Administrator manages the Program Call Center and daily activities of the Program.

All relevant information about the Program can be found in the CaliforniaFIRST Program Residential Property Owner Handbook ("Property Owner Handbook") and is discussed below. The list of cities and counties participating in the Program ("Participating Communities") is available on the Program website and in the Property Owner Handbook.

### Program Requirements and Terms

The following requirements and terms apply to the Program. By signing this application, you acknowledge these requirements and terms and certify that, to the best of your knowledge, all applicable requirements have been satisfied. To verify that certain requirements have been satisfied, you authorize the Program Administrator to obtain a credit report for the property owner(s) and/or trustee(s) whose social security numbers are provided on this application.

- 1) The property identified above (the "Property") is within a Participating Community, is used for residential purposes, has three (3) units or fewer, and is not undergoing development.
- 2) There is at least 10% equity in the Property (in other words, mortgage-related debt is no more than 90% of the value of the Property). In addition, the amount financed under the Program is the lesser of \$200,000 or 15%<sup>1</sup> of the value of the Property and, when combined with any other debts or obligations secured by the Property, cannot exceed 100% of the value of the Property.<sup>2</sup>
- 3) Taxes on the Property must be current for the prior twelve (12) months and have not have been paid late more than once during the prior three (3) years (or since the purchase of the Property if owned by the current property owner(s) for less than 3 years). The Property is not subject to any current federal or state income tax liens, judgment liens, mechanic's liens, similar involuntary liens, or other liens/judgments over \$1,000 in total.<sup>2</sup>
- 4) All debts and obligations secured by the Property must be current and no mortgage payment can have been more than thirty (30) days late during the previous twelve (12) months. There have been no notices of default or foreclosure filed against the Property within the last two (2) years (or since the purchase of the Property if owned by the current property owner(s) for less than 2 years). The Property cannot be an asset in a bankruptcy proceeding and property owner(s) have not been involved in a bankruptcy proceeding during the past two (2) years.<sup>2</sup>
- 5) The Property's title is not subject to power of attorney, easements, or subordination agreements restricting authority of the property owner(s) to subject the Property to a PACE lien, other than issues related to standard mortgage loan agreements.
- 6) All owners of record of the Property have signed this application and all other required Program documentation.
- 7) The maximum term of the financing per Property is the lesser of a) the useful economic life of the greatest Eligible Product or approved Custom Product cost financed with respect to such Property and b) thirty (30) years.
- 8) The all in tax rate on the Property may not exceed 5% of the subject Property value.

<sup>1</sup> Note that 15% of Property Value is only available for the first \$700K of the property value, then 10% is applied.

<sup>2</sup> Additional underwriting criteria apply to properties within the City of San Diego. Full details provided in the Property Owner Handbook.



- 9) State incentive and rebate programs are available and participating property owners must declare any rebates received for the project.

### Program Rates, Fees, and Costs

Below are the rates, fees and costs of the Program. For rates, fees and costs specific to your application please see the Assessment Contract and Financing Statement.

<b>RATES</b>	
<b>Fixed Interest Rate.</b> The rate will be set when the Assessment Contract is issued and will be locked for <b>90-120 days</b> (depending on the Eligible Products being financed). Installation of the Eligible Products must be completed and a Completion Certificate must be submitted to CSCDA by this date or the interest rate may change.	<b>Set Daily.</b>
<b>Annual Percentage Rate (APR).</b> Interest and certain other costs over the Assessment term expressed as a rate. This is not your interest rate.	<b>Varies.</b> <b>Based on interest rate and other costs.</b>
<b>UPFRONT COSTS</b>	
<b>Program-Related Fees.</b> One-time charges. Includes program administration, origination, program sponsor, bond counsel, and tax administration.	<b>Not to exceed 6.40% of Assessment Amount</b>
<b>Lien Recording.</b> The amount charged by the government for recording notice documents relating to the assessment on the Property.	<b>Varies by county.</b> <b>Not to exceed \$100.</b>
<b>Reserve Fund.</b> One-time charge deposited into debt service reserve fund for bonds issued by CSCDA to finance projects in the Program.	<b>0.25% of Assessment Amount</b>
<b>CAEATFA PACE Loss Reserve Program.</b> One-time charge for participation in the CAEATFA PACE Loss Reserve Program.	<b>\$0</b>
<b>Foreclosure Expense Reserve Account.</b> One-time charge deposited into a reserve account that CSCDA will use to pay for the costs of foreclosing on the Property and other properties participating in the Program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.	<b>Varies.</b> <b>Not to exceed \$10 per transaction.</b>
<b>Capitalized Interest.</b> A lump sum interest charge for the period prior to the first tax year in which payment is made.	<b>Varies based on when financing begins.</b>
<b>ANNUAL COSTS</b>	
<b>Estimated Administrative Expenses.</b> An annual charge that will change based on the costs of the Program.	<b>Varies by County. May be increased over time.</b>

### Additional Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. Additional information regarding the Program is provided in the Assessment Contract and the other Program documents. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or for copies of any document related to the Program.

- 1) **Existing Mortgage.** The Program establishes the manner by which CSCDA may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and CSCDA. **BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) THAT AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO AN ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY CSCDA. THIS MAY MEAN THAT PROPERTY OWNERS**



WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS, AND ANY ASSOCIATED PREPAYMENT PENALTIES, AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING. If your lender requires an impound for your property taxes, you should notify the lender of the annual assessment payment amount so they can adjust your impound amount.

- 2) **Valuation Disclosure.** We will order an automated valuation of the Property. We will promptly give you a copy of this valuation, even if your financing does not close. You can pay for an additional appraisal for your own use and to establish the property value at your own cost.
- 3) **Foreclosure.** Not later than October 1 each year, CSCDA will determine whether any annual assessment obligation is not paid when due and will have the right and obligation to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action brought in Superior Court to foreclose the lien of such delinquent assessment obligation in the manner provided and to the extent permitted by applicable law. By December 1 of the same year, CSCDA will initiate the order to foreclose.
- 4) **No Endorsement, Warranty or Liability.** CSCDA, purchasers of bonds issued by CSCDA, and the Program Administrator do not endorse any manufacturer, contractor, product, or system, or in any way warranty such equipment, installation, or the efficiency or production capability of any equipment. CSCDA, purchasers of bonds issued by CSCDA, and the Program Administrator make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, CSCDA, purchasers of bonds issued by CSCDA, and the Program Administrator shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.
- 5) **Validation.** The Program Administrator may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program Administrator may also conduct an inspection to validate installation of Eligible Products at qualified locations. You, by submitting this application, consent to any such onsite validations, which shall be conducted during normal business hours following advance notice to you. By submitting this application, you also agree to sign the authorization form to participate in billing energy usage analysis to measure Program impact savings and participant satisfaction.
- 6) **Equal Credit Opportunity Act (ECOA).** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of an applicant's income derives from any public assistance program; or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.
- 7) **Fair Credit Reporting Act.** As part of assembling your Program application, CSCDA has requested a consumer report bearing on your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.
- 8) **Communications with Legal Advisers.** If you have any questions about any agreements or security instruments that affect the Property or to which you are a party, or about your authority to execute this application or enter into an Assessment Contract with CSCDA without the prior consent of your existing lender(s), we strongly encourage you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.
- 9) **Monitoring and Recording Telephone Calls.** The Program Administrator may monitor or record telephone calls for security and customer service purposes. By applying for CaliforniaFIRST Financing, you consent to have any phone conversations with the Program Administrator recorded or monitored.
- 10) **Married Applicants.** A married applicant whose spouse does not have an ownership interest in the Property may apply for a separate account.



**THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 FAIR LENDING NOTICE**

**IT IS ILLEGAL TO DISCRIMINATE IN THE PROVISION OF OR IN THE AVAILABILITY OF FINANCIAL ASSISTANCE BECAUSE OF THE CONSIDERATION OF:**

- 1) TRENDS, CHARACTERISTICS OR CONDITIONS IN THE NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION, UNLESS THE FINANCIAL INSTITUTION CAN DEMONSTRATE IN THE PARTICULAR CASE THAT SUCH CONSIDERATION IS REQUIRED TO AVOID AN UNSAFE AND UNSOUND BUSINESS PRACTICE; OR**
- 2) RACE, COLOR, RELIGION, SEX, MARITAL STATUS, DOMESTIC PARTNERSHIP, NATIONAL ORIGIN OR ANCESTRY.**

**IT IS ILLEGAL TO CONSIDER THE RACIAL, ETHNIC, RELIGIOUS OR NATIONAL ORIGIN COMPOSITION OF A NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION OR WHETHER OR NOT SUCH COMPOSITION IS UNDERGOING CHANGE, OR IS EXPECTED TO UNDERGO CHANGE, IN APPRAISING A HOUSING ACCOMMODATION OR IN DETERMINING WHETHER OR NOT, OR UNDER WHAT TERMS AND CONDITIONS, TO PROVIDE FINANCIAL ASSISTANCE.**

**THESE PROVISIONS GOVERN FINANCIAL ASSISTANCE FOR THE PURPOSE OF THE PURCHASE, CONSTRUCTION, REHABILITATION OR REFINANCING OF ONE- TO FOUR-UNIT FAMILY RESIDENCES OCCUPIED BY THE OWNER AND FOR THE PURPOSE OF THE HOME IMPROVEMENT OF ANY ONE- TO FOUR-UNIT FAMILY RESIDENCE.**

**IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS, OR IF YOU WISH TO FILE A COMPLAINT, CONTACT THE MANAGEMENT OF THIS FINANCIAL INSTITUTION OR:**

**SECRETARY OF BUSINESS, TRANSPORTATION AND HOUSING  
980 9TH STREET, SUITE 2450  
SACRAMENTO, CALIFORNIA 95814**

**Property Owner Declaration and Signature(s)**

By signing this Application, I hereby declare under penalty of perjury under the laws of the State of California all of the following:

- 1) That the information provided in this Application is true and correct to the best of my knowledge as of the date set forth opposite my signature below and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to CSCDA, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.
- 2) I have provided information to the Program Administrator regarding other PACE liens on the subject property, if applicable.
- 3) I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this application.
- 4) I have the authority to authorize the Program Administrator to share relevant information on application and financing status with the contractor(s) indicated on this application. The Program Administrator will not share social security numbers with the contractor(s).
- 5) I understand that it is my responsibility to receive all necessary approvals from my homeowners' association and/or historical review board, as applicable to my Property and project
- 6) I understand that it is my responsibility to receive, read and understand all documents regarding the Program, which, in addition to the information on the Program website, include without limitation the following:
  - a. Residential Property Owner Handbook;
  - b. Financing Application and Disclosure;
  - c. Assessment Contract;
  - d. Financing Statement;
  - e. Notice of Right to Cancel;
  - f. Electronic Record and Signature Disclosure;
  - g. Privacy Policy Notice;
  - h. Self-Install Agreement (if applicable);
  - i. Notice to Proceed; and
  - j. Completion Certificate.



- 7) I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, before receiving any funds.
- 8) I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this application, the Assessment Contract, and the various other documents and instruments referenced herein.
- 9) I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that a special priority assessment lien will be recorded by CSCDA against the Property in the office of the County Recorder of the County in which the Property is located upon execution of the Assessment Contract. The property tax bill for the Property will increase by the amount of installments sufficient to repay the assessment (with interest) and related administrative expenses. The Assessment Contract will specify the amount of the assessment and the assessment obligations (including principal, interest, and estimated administrative expenses) to be collected on the property tax bill for the Property each year during the assessment term specified in the Assessment Contract. The assessment obligations and any associated penalties will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.
- 10) I acknowledge receipt of a copy of The Housing Financial Discrimination Act of 1977 Fair Lending Notice.

I declare that: (i) I have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver this application and attest to the accuracy of the information indicated in this application; (ii) I have received, read and understand the risks and characteristics of the Program described above; and (iii) I have been informed that I must take the sole responsibility to satisfy myself that executing the Assessment Contract, receiving financing for Eligible Products, and consenting to the assessment levied against the Property will not constitute a default under any other agreement or security instrument (including, specifically, the terms of any mortgage on the Property) which affects the Property or to which I am a party.

DocuSigned by:

*Patricia A. Wyatt*

6C16496667FD44F

11/4/2016 | 14:03 PDT

Patricia Wyatt Signature

Date



## ESTIMATED FINANCING STATEMENT

Application ID	CF-00055943	Program Name	CaliforniaFIRST	
Assessment Contract Date	November 4, 2016	Program Administrator	Renew Financial Group LLC 1620 E. Roseville Parkway, Suite 240 Roseville, CA 95661	
Expiration Date <sup>1</sup>	March 4, 2017	Applicable Tax Roll Deadline	June 29, 2017	
Funding Date	No later than March 16, 2017			
<b>PROPERTY SUMMARY</b>				
Property Location	931 Arriba Avenida, Imperial Beach, CA 91932			
Property Automated Valuation Model	\$609,700.00 (GeoCascade (AVM by CoreLogic®))			
<b>PROPERTY OWNER NAME(S) AND MAILING ADDRESS(ES)</b>				
Patricia Wyatt	931 Arriba Avenida, Imperial Beach, CA 91932			
<b>FINANCING SUMMARY</b>				
Your payments will be added to your property tax bill for 30 years. Please see Exhibit B of your Assessment Contract for more information on the assumptions used to calculate this Financing Statement. The information provided below are estimates and do not include tax deductions or energy savings.				
Term	30 years	Total Financed Amount (Assessment)	\$36,692.25	
Interest Rate	8.49%	Total Interest (includes capitalized interest)	\$68,098.86	
Annual Percentage Rate	9.28%	Total Estimated Administrative Expenses	\$540.00	
Annual Amount Added to Property Tax Bill	\$3,429.11	Total Assessment Obligations Amount	\$102,873.59	
<b>UPFRONT COSTS</b>		<b>TOTALS</b>		
Program-Related Fees	Program Administration	\$480.00	Total Project Amount	\$32,000.00
	Origination	\$800.00	Plus Upfront Costs	\$4,692.25
	Program Sponsor	\$280.00	Equals Total Financed Amount	\$36,692.25
	Bond Counsel	\$320.00	<b>Notes:</b> a) This transaction will result in a lien being placed on the property identified above. b) See your contract documents for any additional information regarding non-payment, default, and required repayment in full before scheduled date.	
	Tax Administration	\$168.00		
Lien Recording	\$90.00			
Reserve Fund	\$91.73			
CAEATFA PACE Loss Reserve Program	\$0.00			
Foreclosure Expense Reserve Account	\$5.00			
Capitalized Interest	\$2,457.52			

<sup>1</sup> This statement is an estimate based on the Expiration Date. Final fees and other figures will be provided in a Final Exhibit B to the Assessment Contract after the Completion Certificate is received and approved.



Property Owner(s) Acknowledgements

1. BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) THAT AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO AN ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY CSCDA. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS, AND ANY ASSOCIATED PREPAYMENT PENALTIES, AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

I UNDERSTAND THAT CALIFORNIAFIRST IS A LONG-TERM FINANCING OPTION FOR UP TO THE LIFE OF THE PRODUCT. THE FINANCING TERM FOR MY PROJECT IS 30 YEARS. IF I REFINANCE MY HOME, MY MORTGAGE COMPANY MAY REQUIRE ME TO PAY OFF THE REMAINING BALANCE. IF I SELL MY HOME, THE BUYER OR THEIR MORTGAGE COMPANY MAY REQUIRE ME TO PAYOFF THE REMAINING

BALANCE.  
PAW  
PW

2. I UNDERSTAND that my payments will be added to my property tax bill. I need to save an estimated \$3,429.11 for my first CaliforniaFIRST payment in the 2017-2018 tax year. If I pay my property taxes through my mortgage using an impound account, my monthly mortgage payment should adjust to cover my increased property tax bill.

PAW  
PW

3. I UNDERSTAND that I should consult my tax advisor regarding tax credits, tax deductibility, and for other tax benefits of the CaliforniaFIRST Program, and I am responsible for submitting appropriate documentation with my tax return.

PAW  
PW

I hereby acknowledge reading and receiving a copy of this CaliforniaFIRST Estimated Financing Summary.

DocuSigned by:  
Patricia A Wyatt  
6C18498887FD44F

11/4/2016 | 14:03 PDT

Patricia Wyatt Signature

Date



## ESTIMATED FINANCING STATEMENT DEFINITIONS

Annual Amount Added To Property Tax Bill	The sum total of Principal, Interest, and Estimated Administrative Expenses for one tax year, which is added to the property tax bill. Also called Assessment Obligation or Annual Assessment Obligation in other documents.
Annual Percentage Rate	Interest and certain other costs over the Term expressed as a rate. This is not your interest rate.
Application ID	Unique number assigned to the application.
Assessment	Also called Principal or Total Financed Amount. This is equal to the sum of the Project Amount and Upfront Costs.
Assessment Contract Date	Date that the Assessment Contract was generated for Property Owner signature.
AVM	Automated Valuation Model. A service that uses mathematical modeling to value properties.
CAEATFA	California Alternative Energy and Advanced Transportation Financing Authority
CAEATFA PACE Loss Reserve Program	One-time charge for participation in the CAEATFA PACE Loss Reserve Program.
Capitalized Interest	Interest on financed amount for the period prior to the first tax year in which payment is made. This amount is included in the total assessment amount.
CSCDA	California Statewide Communities Development Authority
Expiration Date	Date that all approved eligible products must be installed and completed in order for the locked Interest Rate on the Assessment Contract to remain unchanged. 90-120 days after the Assessment Contract Date, depending on the installed eligible products.
Financing Installment	This is equal to Principal plus interest for one tax year.
Foreclosure Expense Reserve Account	One-time charge deposited into a reserve account that CSCDA will use to pay for the costs of foreclosing on the Property and other properties participating in the Program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.
Funding Date	Latest possible date for disbursement of payment to the designated payee indicated on the Completion Certificate.
Lien Recording Fee	County fee charged for recording notice documents relating to the Assessment on the Property.
Principal	Also called Total Financed Amount or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.
Project Amount	The total amount requested by Property Owner to finance the installation of eligible products.
Program-Related Fees	One-time fees incurred at funding. Program-Related Fees include program administration, origination, program sponsor, bond counsel, and tax administration.
Program Name	Program established by CSCDA to provide assessment financing for eligible products as authorized by California law.
Reserve Fund	One-time charge deposited into debt service reserve fund for bonds issued by CSCDA to finance projects in the Program.
Term	The number of years to pay off the Assessment.
Total Assessment Obligations Amount	The sum total of Principal, interest, and Estimated Administrative Expenses over the Term.
Total Estimated Administrative Expenses	The sum total of estimated annual administrative charges over the Term.
Total Interest	The sum total of interest on the Principal over the Term.
Total Financed Amount	Also called Principal or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.
Upfront Costs	One-time fees incurred at funding. Upfront Costs include Program-Related Fees, Lien Recording Fee, Reserve Fund Deposit, CAEATFA PACE Loss Reserve Program Fee, Foreclosure Expense Reserve Account, and Capitalized Interest.



## NOTICE OF RIGHT TO CANCEL ACKNOWLEDGEMENT

Application ID: CF-00055943  
Property Owner 1 Name: Patricia Wyatt  
Property Address: 931 Arriba Avenida, Imperial Beach, CA 91932

### Your Right to Cancel

You are entering into an Assessment Contract with the California Statewide Communities Development Authority ("CSCDA") for CaliforniaFIRST Financing under the CaliforniaFIRST Program ("Program") that will result in a lien on the property at 931 Arriba Avenida, Imperial Beach, CA 91932. Under the Program, you may cancel this transaction, without cost, within three (3) business days from the date on which you signed the Assessment Contract.

### Acknowledgement of Receipt

I hereby acknowledge reading and receiving a complete copy of this Notice of Right to Cancel.

DocuSigned by:  
*Patricia A Wyatt*  
8C16496607FD44F

11/4/2016 | 14:03 PDT

Patricia Wyatt Signature

Date



## NOTICE OF RIGHT TO CANCEL CANCELLATION

### How to Cancel

If you decide to cancel this transaction, you must do so by notifying CSCDA in writing at:

CaliforniaFIRST Program  
1620 E. Roseville Parkway, Suite 240  
Roseville, CA 95661  
Fax: (510) 379-5300  
Email: [info@californiafirst.org](mailto:info@californiafirst.org)

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Please keep a copy of this notice for your records. If you cancel by mail, fax, or email, you must send the notice no later than midnight of the third business day following the date on which you signed the Assessment Contract. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than the time indicated above.

**I wish to cancel (ONLY SIGN HERE IF YOU ARE CANCELLING YOUR FINANCING)**

---

Patricia Wyatt Signature

---

Date



California**FIRST**  
EFFICIENCY FINANCING

# **Residential Property Owner Handbook**

Version 13.2 – February 2018

## Table of Contents

<b>1</b>	<b>PROGRAM INTRODUCTION</b>	<b>4</b>
1.1	PROGRAM OVERVIEW	4
1.2	PROGRAM CONTACT INFORMATION	4
1.3	PROGRAM CALL CENTER HOURS	5
1.4	HELPFUL TERMS	5
1.5	FEDERAL HOUSING FINANCE ADMINISTRATION OVERVIEW	7
1.6	OTHER USEFUL RESOURCES	7
1.7	FUTURE PROGRAM CHANGES	7
<b>2</b>	<b>PROGRAM ELIGIBILITY REQUIREMENTS</b>	<b>8</b>
2.1	ELIGIBLE PROPERTIES	9
2.2	ELIGIBLE PROPERTY OWNERS	9
2.3	ELIGIBLE PRODUCTS	10
2.4	ELIGIBLE COSTS	11
2.5	ELIGIBLE PARTICIPATING CONTRACTORS	11
2.6	ELIGIBLE ASSESSMENT AMOUNTS	11
2.7	ELIGIBLE ASSESSMENT TERM(S)	11
2.8	ELIGIBLE REBATE PROGRAMS AND TAX CREDITS	12
2.9	ELIGIBLE NUMBER OF ASSESSMENTS	12
2.10	ADDITIONAL PROGRAM TERMS AND DISCLAIMERS	12
<b>3</b>	<b>FINANCIAL TERMS</b>	<b>14</b>
3.1	ASSESSMENT COSTS	14
3.2	ANNUAL REPAYMENTS	14
3.3	FORECLOSURE	15
3.4	PREPAYMENT OF THE ASSESSMENT	15
<b>4</b>	<b>PROGRAM PROCESS</b>	<b>15</b>
4.1	SCOPE OF PROJECT - OBTAIN QUOTE	15
4.2	PROCESS OVERVIEW	15
4.3	APPLY FOR THE PROGRAM	16
4.4	APPLICATION REVIEW	17
4.5	OBTAIN PROGRAM APPROVAL FOR ELIGIBLE PRODUCTS	18
4.6	FINANCING DOCUMENTS	18
4.7	INSTALLATION OF ELIGIBLE PRODUCTS	19
4.8	SUBMIT COMPLETION CERTIFICATE	19
4.9	RECORD LIEN ON PROPERTY AND ISSUE PAYMENT	20
4.10	ADD ASSESSMENT TO PROPERTY TAXES	20
<b>5</b>	<b>PRODUCT INSTALLATION REQUIREMENTS</b>	<b>20</b>
5.1	CONTRACTOR SIGN-UP	20
5.2	BUILDING PERMITS AND INSPECTION	21
5.3	FRAUDULENT ACTIVITY	21
5.4	REQUIRED DOCUMENTS	21

<b>6</b>	<b>DISPUTE RESOLUTION</b>	<b>21</b>
<b>7</b>	<b>APPENDICES</b>	<b>21</b>
	<b>APPENDIX A: OTHER USEFUL RESOURCES</b>	<b>22</b>
	<b>APPENDIX B: PROGRAM FORMS AND DOCUMENTS</b>	<b>23</b>
	<b>APPENDIX D: PARTICIPATING COMMUNITIES BY COUNTY</b>	<b>25</b>
	<b>APPENDIX E: ADDITIONAL UNDERWRITING CRITERIA</b>	<b>28</b>

# 1 Program Introduction

## 1.1 Program overview

The CaliforniaFIRST Program (“Program”) is intended to help property owners make capital investments in distributed generation renewable energy sources, energy efficiency, water efficiency, and seismic improvements\* (collectively known as “Eligible Products”) that will provide long-term benefits and reduce energy bills. There are three separate Sponsors of distinct CaliforniaFIRST programs: the California Statewide Communities Development Authority (CSCDA), the County of Los Angeles and the Western Riverside Council of Governments (WRCOG). Each Sponsor determines the guidelines and rules of the Program, and there may be differences in underwriting requirements, fees, and eligible products between Sponsors. These Sponsors selected Renew Financial Group LLC (“Renew Financial”) (formerly known as Renewable Funding, LLC) to administer the Program as part of CaliforniaFIRST, a statewide Property Assessed Clean Energy (PACE) program. As Program Administrator, Renew Financial manages the Program Call Center and daily activities of the Program.

The Program will provide a financing mechanism for the Eligible Products through an assessment contract (the “Assessment Contract”) between the Sponsor and the property owner, pursuant to which the Sponsor will disburse a specified amount to the property owner. The property owner will pay contractual assessments levied against the property through annual installments on the property tax bill. If the owner sells the subject property prior to full repayment of the assessment, the repayment obligation remains a lien on the subject property. The Sponsor intends to finance the Program in part by issuing (or causing to be issued) bonds payable from contractual assessment revenues. Participation in the Program is completely voluntary and property taxes for non-participating property owners are unaffected by the Program.

You and all other property owners sign an assessment agreement and agree to repay the amount financed over a period of 5, 10, 15, 20, 25 or 30\*\* years, depending on the type of property, the financing amount, and the expected useful lifetime of the installed Eligible Products. An assessment lien is recorded on your property to secure the financing. The lien will be senior to liens for mortgages and other non-governmental liens on the property.

**\*The list of Eligible Products may vary by Sponsor.**

**\*\*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.**

The list of Participating Communities is available on the Program website and in this Handbook, as Appendix D. In addition, you and all other property owners on title must meet all of the eligibility requirements and agree to comply with all of the Program rules for the application and funding processes, installment of Eligible Products, and repayment of the Total Assessment Obligations, as outlined in this Handbook.

## 1.2 Program Contact Information

Main Program Address	CaliforniaFIRST c/o Renew Financial Group LLC 1620 E. Roseville Parkway, Suite 240 Roseville, CA 95661
Program Local Address (For LA County Only)	General questions about CaliforniaFIRST can be answered by staff at: Center for Sustainable Energy 617 West 7th Street, Suite 305 Los Angeles, CA 90017
Program Website	<a href="https://renewfinancial.com/product/californiafirst">https://renewfinancial.com/product/californiafirst</a>
Program Email	<a href="mailto:info@renewfinancial.com">info@renewfinancial.com</a>
Program Phone Number	844-RENEWFI (844-736-3934)
Program Fax Number	(510) 379-5300
Contractor Registration Phone Number	844-RENEWFI (844-736-3934)
Contractor Registration Email	<a href="mailto:contractors@renewfinancial.com">contractors@renewfinancial.com</a>

### 1.3 Program Call Center Hours

Program Call Center hours are 8 am to 9 pm, Monday through Friday, 9 am to 6 pm on Saturdays, and 10 am to 6 pm on Sundays. Please see the Program website for recent updates about the Call Center operation times, phone number and other relevant information.

### 1.4 Helpful Terms

This Handbook lays out how you can participate in the Program. Below is a reference list of key terms that will help you understand what is required for participation in the Program.

**Annual Assessment Obligation:** the annual amount added to your property tax bill, which is equal to Principal, Interest, and Estimated Administrative Expenses for one tax year.

**Annual Financing Installment:** the annual Principal and interest paid for one tax year.

**Assessed Value:** the dollar value on which you pay property taxes.

**Assessment:** also called Principal or Total Financed Amount. This is equal to the sum of the Project Amount and Upfront Costs.

**Assessment Contract:** the legal financing agreement between Property Owner(s) and the Sponsor.

**Assessment Contract Date:** the date that the Assessment Contract was generated for Property Owner(s) signature.

**Building Permits:** the formal approval of building plans by the designated government agency as meeting the requirements of prescribed codes. It is an authorization to proceed with the construction or reconfiguration of a specific structure at a particular site, in accordance with the approved drawings and specifications.

**California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA):** a part of the California State Treasurer's office that manages the PACE Loss Reserve Program.

**California Statewide Communities Development Authority (CSCDA):** the sponsoring entity and bond issuer for the Program with the exception of properties within Los Angeles County and participating WRCOG cities.

**California State Licensing Board (CSLB):** the state entity in California that licenses and regulates all contractors.

**Capitalized Interest:** the interest on the financed amount for the period prior to the first tax year (or initial tax year) in which payment is made.

**Custom Products:** renewable energy, energy efficiency, water efficiency, or seismic products that require special approval to be financed by the Sponsor through the Program because the products are not included on the Eligible Products List. Custom Products should produce renewable energy or save energy or water for a reasonable cost. The list of Eligible Products may vary by Sponsor.

**Energy Auditor:** performs an energy audit, which is an evaluation of energy consumption in a home to determine ways in which energy can be conserved.

**Eligible Products:** approved items that are authorized improvements to the Property and may be financed through the Program. Eligible Products are listed in Appendix C.

**Estimated Administrative Fee:** the annual fee to cover the applicable county's and the Sponsor's costs of collecting the Assessment on your property tax bill.

**Expiration Date:** the date that all approved Eligible Products must be installed and completed in order for the locked interest rate on the Assessment Contract to remain unchanged. (90-120 days after the Assessment Contract Date, depending on the installed Eligible Products).

**Financing Documents:** the Assessment Contract and related documents that are sent to Property Owner(s) after an application is approved.

**Financing Installment:** the Principal and interest component of the Annual Assessment Obligation.

**Funding Date:** the latest possible date for disbursement of payment to the designated payee indicated on the Completion Certificate.

**Interest Rate:** the rate applied to the financed amount. This is not compounded.

**Lien Recording Fee:** the County fee charged for recording notice documents relating to the Assessment on the Property.

**Los Angeles County:** the sponsoring entity and bond issuer for the Program within the County of Los Angeles.

**Participating Contractor:** the person or business entity who contracts to install Eligible Products and has signed a Contractor Participation Agreement.

**Participating Communities:** areas where Program financing is available as identified in Appendix D. Other member agencies of the Sponsor may elect to participate in the future.

**Principal:** also called Total Financed Amount or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

**Project Amount:** the total amount requested by Property Owner to finance the installation of Eligible Products.

**Property:** the real property where Eligible Products will be installed.

**Property Owner:** the record owner(s) of the fee title to the Property.

**Program:** the CaliforniaFIRST Program. There are three distinct Programs with separate Sponsors: CSCDA, the County of Los Angeles, and WRCOG. For detailed underwriting differences in these Programs, see Appendix E.

**Program Administrator:** Renew Financial (formerly known as Renewable Funding, LLC) is the designated Program Administrator on behalf of the Sponsor.

**Program-Related Fees:** one-time fees incurred at funding. Program-Related Fees include program administration, origination, program sponsor, bond counsel, and tax administration.

**Program Sponsor:** California Statewide Communities Development Authority (CSCDA), the County of Los Angeles, and the Western Riverside Council of Governments (WRCOG).

**Property Value:** the value derived from an automated valuation model, the Assessed Value, Broker Price Opinion or the appraised value.

**Residential:** 3 residential units or fewer.

**Reserve Fees:** one-time fees or deposits incurred at funding to pay for reserves that support bond holders' and mortgage holders' interest, such as Reserve Fund.

**Term:** the number of years to pay off the Assessment.

**Total Financed Amount:** also called Principal or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

**Total Assessment Obligations:** the sum total of Principal, interest and Estimated Administrative Expenses over the Term.

**Total Project Amount:** amount to be disbursed to the Property Owner or Participating Contractor for the costs of the Eligible Product(s) installed on the Property.

**Upfront Costs:** one-time fees incurred at funding. Upfront Costs include Program-Related Fees, Lien Recording Fee, Reserve Fund, and Capitalized Interest.

**Western Riverside Council of Governments (WRCOG):** the sponsoring entity and bond issuer for the Program for certain jurisdictions within the western region of Riverside County.

## 1.5 Federal Housing Finance Administration overview

It is important to note that on July 26, 2010, the Federal Housing Finance Administration (FHFA) issued its statement entitled, “FHFA Statement on Certain Energy Retrofit Loan Programs” (FHFA Statement) which provided in part that:

“[...]In addressing PACE programs with first liens, Fannie Mae and Freddie Mac should undertake actions that protect their safe and sound operations. These include, but are not limited to:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance[...]

In September 2013, Governor Jerry Brown signed Senate Bill 96 into law, authorizing California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to establish a PACE Loss Reserve Program to assist in addressing FHFA’s financial concerns and support these residential PACE financing programs. The \$10 million Loss Reserve, launched in March 2014, makes first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE lien which has been registered with CAEATFA. The goal of the PACE Loss Reserve Program is to put first mortgage lenders in the same position they would be in without a PACE lien. CaliforniaFIRST is a participant in the PACE Loss Reserve Program.

There can be no assurance that the FHFA will not act to reemphasize, or take other similar action to issuing, the FHFA Statement in the future. Please see Section 4.10 for more information about the Assessment lien and potential implications for a refinancing or sale of the property.

## 1.6 Other Useful Resources

Information on rebate programs, contractor standards, and other useful information is provided in Appendix A.

## 1.7 Future Program Changes

The Sponsor reserves the right to change the Program and its terms at any time; however, any such change will not affect your existing responsibility to pay the Total Assessment Obligations agreed to in an executed Assessment Contract.

Your participation in the Program will be subject to this Handbook and other documents signed as part of the Program. If any provisions of this Handbook are determined to be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

## 2 Program Eligibility Requirements

You should carefully review this section in order to determine whether you are eligible for the Program before submitting an application. A summary of eligibility requirements is listed below, with details on each requirement provided in sections 2.1-2.10.

### Summary of Eligibility Requirements

<b>PROPERTY</b>
Property must be in a Participating Community.
Property must be Residential
Improvements must be made to existing properties or new residential properties where the initial construction is undertaken by the intended owner or occupant
Manufactured homes approved if permanently attached to Property
No current involuntary liens and/or judgments totaling more than \$1,000 for all Property Owner(s)*
<b>PROPERTY OWNER(S)</b>
Applicant(s) must be the owner(s) of record of the Property
Property Owner(s) must sign all required documentation
Property Owner(s) must be current on their property taxes and have no more than 1 late payment in the last 3 years, or since the Property Owner(s) acquired the property *
Property Owner(s) must be current on all subject Property-secured debt and have no more than 1 30-day late payment in the last 12 months*
There must be no notices of default or foreclosure filed against the Property within the last 2 years*
Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 2 years. If a bankruptcy has been released, discharged, or dismissed in the last 2 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 12 months.*
Property title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to a PACE lien
<b>PRODUCTS</b>
The products must be energy efficiency, renewable energy, water efficiency, and/or seismic products; they must be permanently fixed to the property, they must be new products; and they must meet minimum efficiency and/or other requirements identified for Eligible Products. The list of Eligible Products may vary by Sponsor.
<b>CONTRACTORS</b>
All Eligible Products must be installed by a Participating Contractor
<b>ASSESSMENT AMOUNTS</b>
Minimum Assessment amount is \$5,000
Total Maximum Assessment amount per Property is the lesser of \$250,000 or 15%** of the value of the Property and, when combined with any other debts or obligations secured by the Property, cannot exceed 97% of the value of the Property.***
Financing term cannot exceed the useful life of the Eligible Product
The all-in tax rate on the Property (including the Assessment and other assessments) may not exceed 5% of the Property value
Maximum Assessment amount depends on the Property Owner's annual income.****
Property Owner(s) should participate in available state and federal incentive and rebate programs and must declare any rebates received for the project

\* Additional underwriting criteria apply to properties in Los Angeles County, participating WRCOG cities, and certain other jurisdictions. See Appendix E.

\*\* Maximum Assessment amount is limited to 15% of value of the property for the first \$700,000 of the property value, then no greater than 10% is allowed for the remaining value over \$700,000.

\*\*\* Any Assessment amount in excess of \$250,000 In Los Angeles County requires specific approval of the Sponsor.

\*\*\*\*Does not apply in participating WRCOG cities.

## 2.1 Eligible Properties

Properties of three or fewer residential units are generally eligible, with the following eligibility requirements:

### Property Located Within Participating Community

Property must be located in a Participating Community, and if within the boundaries of a city, the city must have adopted a resolution to join the Program. A list showing Participating Communities is located in Appendix D of the Handbook. The Property must also not be exempt from ad valorem real property taxes, which is a tax on goods or property expressed as a percentage of the sales price or assessed value. The Property must also comply with the California Environmental Quality Act.

### Limited New Construction

All eligible improvements that qualify for Program financing must be on existing properties or on new residential properties where the initial construction is undertaken by the intended owner or occupant.

### Manufactured Homes, Condominiums, and HOAs

Only mobile and manufactured homes that are permanently-attached to the real property shall qualify. Manufactured homes are eligible if the manufactured home owner(s) also own the underlying land and pay real property taxes (DMV fees do not qualify).

Condominium and HOA-controlled property may qualify, pending management or association approval of requested Program improvements. Condominiums may be restricted as to the Eligible Products that may be installed depending on the rules of the condominium association as well as the physical design of the unit. It is the responsibility of condominium owners to obtain authorization from the condominium association's management stating that the Property Owner is allowed to install the requested Eligible Products. For properties subject to homeowner's association (HOA) restrictions, it is the responsibility of the Property Owner to obtain authorization that the requested Eligible Products meet all the HOA requirements, as applicable.

### Minimum Assessment Amount

The amount to be financed must be at least \$5,000.

### Maximum Assessment to Value Amount

The total maximum Assessment amount per Property must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700,000 of the property value then 10% of any property value thereafter. Any property located within the County of Los Angeles with an assessment amount in excess of \$250,000 requires specific approval of the County. In addition, the amount financed under the Program, when combined with any other debts or obligations secured by the Property, cannot exceed 100% of the value of the Property.

### Required Equity in the Property

Within certain jurisdictions, mortgage-related debt on the Property must not exceed 90% of the value of the Property, which is equivalent to having 10% equity in the Property. See Appendix E for a list of which jurisdictions have this requirement.

### Liens on Property

The Property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the Property greater than \$1,000 in aggregate. Prohibited liens do not include community facility district assessments or other financing district liens placed on all properties in that particular financing district\*. Any non-mortgage-related debt will be subject to review.

\* Additional underwriting criteria apply to properties within participating WRCOG cities, and certain other jurisdictions. See Appendix E.

## 2.2 Eligible Property Owners

In addition to the property eligibility requirements, you as a Property Owner must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for all Property Owners on the title are set forth below.

### Residential Property Owners:

1. You must be the Property Owner(s) of record - Only Property Owners who are the owners on record for respective property shall be considered for Program approval;
2. All Property Owners must sign all required documentation, including, but not limited to, the application, the Assessment Contract and the Completion Certificate - All Property Owners on record for the respective property who meet the requirements mentioned heretofore must sign and thusly execute all related Financing and Program Documents;
3. You must be current on your property taxes and have no more than 1 late payment in the last 3 years, or since you acquired the property;\*
4. You must be current on all subject Property-secured debt at the time of application and have no more than 1 30-day late payment in the last 12 months;\*
5. There must be no notices of default or foreclosure filed against the Property while held by the current Property Owner(s) within the last 2 years; and
6. You are not currently be in bankruptcy proceedings, and did not have any bankruptcies released, discharged, or dismissed in the last 2 years. If you had a bankruptcy has been released, discharged, or dismissed in the last 2 to 7 years, then you have no payments more than 30 days past due in the last 12 months.\*

\* Additional underwriting criteria apply to properties within Los Angeles County, participating WRCOG cities, and certain other jurisdictions. See Appendix E.

### **Ability to Pay\***

In order to to better assess the ability of a Property Owner(s) to repay the assessment, Property Owner(s) must provide accurate annual income information. The maximum Assessment amount depends on the Property Owner's annual income. Property Owner(s) attest to true and accurate income information by signing the Application Form and Disclosures.

\*This rule does not apply to properties within participating WRCOG cities.

### **Authority of Property Owner**

The Property's title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to subject the Property to a PACE lien, other than issues related to standard mortgage loan agreements.

### **Trust Ownership of the Property**

To be considered for the Program, properties held in a trust must furnish relevant documentation providing the clear and exact right of the trustee(s) to attach a Program-resultant encumbrance upon the respective property. All trustees must meet all applicable underwriting requirements and all trustees must sign all Program documents, including the Assessment Contract.

## **2.3 Eligible Products**

The Program offers financing for various energy efficiency, renewable energy, water efficiency and seismic products (Eligible Products). The list of Eligible Products may vary by Sponsor.

### **Eligible Products Must Be Permanently Affixed, New Products**

Only permanently affixed, new products are considered "Eligible Products" and thus financeable through the Program. Remanufactured, refurbished, used or new equipment transferred from a previous location are not eligible. Previously installed products are not eligible for Program financing. Products that are not permanently affixed are not eligible, such as light bulbs and other non-fixtures.

### **Proposed Products Must Meet Minimum Eligibility Requirements**

There are minimum efficiency and/or other requirements tied to each Eligible Product. A complete list of Eligible Products with minimum specifications for Residential properties is available in Appendix C. Property Owners should confirm with their contractor(s) that proposed products meet the minimum specifications set forth in the Eligible Products List. Your Participating Contractor must attest that all Eligible Products meet the stated minimum eligibility criteria.

Before installing Eligible Products, you or your Participating Contractor are required to provide details regarding the proposed Eligible Products, which you can do by calling the Program Call Center (see Section 1.2).

### **Custom Products May Be Eligible**

You may apply to install a permanently affixed energy efficiency, renewable energy, water-efficiency or seismic product (depending on Sponsor) not included on the Eligible Products List by submitting a Custom Product Application. The Program Administrator must approve all Custom Product Applications. See Section 4.5 for additional details on submitting a Custom Product Application.

### Solar Systems Must Meet CSI Requirements

All solar photovoltaics (solar PV) and solar thermal systems must use California Solar Initiative (CSI) eligible equipment and must be installed according to CSI requirements. The Program Administrator recommends that energy efficiency measures be completed prior to installing solar PV systems in order to address energy conservation prior to energy generation.

## 2.4 Eligible Costs

Eligible costs under the Program include both the cost of the equipment and installation. Installation costs may include, but are not limited to, energy/water audit, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The installation must be completed by a Participating Contractor who is registered with the Program

If you elect to complete your financed improvements at the same time as a larger remodeling project, financing is only available for the Eligible Products used to improve the existing structure. Repairs to the existing building's envelope, systems and/or infrastructure are not eligible except where necessary to install the Eligible Product. If you are planning to finance Eligible Products included in a larger remodeling project, you should first contact the Program Call Center to determine what costs will be eligible for financing.

The cost of installing the Eligible Products must be reasonable and accomplished within industry cost guidelines. You are encouraged to get multiple bids so that you may determine an appropriate range of costs for your home improvements. The Program Administrator shall have the right to refuse to finance an Eligible Product that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Eligible Product.

## 2.5 Eligible Participating Contractors

You must select a Participating Contractor who has signed-up with the Program. Participating Contractors must have an active license with the CSLB, which includes meeting the CSLB's bonding and workers' compensation insurance requirements, and agree to all Program terms and conditions via a Contractor Participation Agreement. In addition, Participating Contractors may only install Eligible Products for which they have the appropriate CSLB license.

You independently choose which Participating Contractor will work on the installation of your Eligible Products. **The Sponsor, the purchaser of bonds issued by the Sponsor, and the Program Administrator do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.**

## 2.6 Eligible Assessment Amounts

The minimum Assessment amount is \$5,000. The total maximum Assessment amount per Property must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700,000 of the property value then 10% of any property value thereafter. In Los Angeles County any assessment amount in excess of \$250,000 requires specific approval by that County. The Assessment amount plus the mortgage-related debt must not exceed 97% of the value of the Property.

The maximum Assessment amount depends on the Property Owner's annual income.\*

The value of the Property will be the market value based on an automated valuation model (AVM) value provided by a third party independent vendor. In certain circumstances, a recent appraisal may be used instead of the AVM value. Property owners interested in an alternative valuation of their property should contact the Call Center. The Program Administrator does not coordinate, advance the cost, nor choose an appraiser.

\*This rule does not apply to properties within participating WRCOG cities.

## 2.7 Eligible Assessment Term(s)

Assessment Contracts may include financing for a term of 5, 10, 15, 20, 25 or 30\*\* years. The financing term may not exceed the useful life of the installed Eligible Product, as indicated in Appendix C. If a project includes multiple products with various terms, the financing term will be determined by summing the dollar value of products under each term and selecting the term associated with the greatest value. A Property Owner may select a shorter assessment term than the useful life of the Eligible Product(s) to be installed.

\*\*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

## 2.8 Eligible Rebate Programs and Tax Credits

Various federal tax credits, state and local rebates, and incentive programs exist for energy efficiency, renewable energy, and water efficiency Eligible Products. Not all Eligible Products under the Program will qualify for federal tax credits and/or state or local utility rebates.

For information on rebates and tax credits, please visit the rebates pages listed in Appendix A and talk to your Participating Contractor and/or a tax advisor.

### Deductions from Financing Amount

All available up-front federal, state or utility rebates that are received for installed Eligible Products should be deducted from the requested finance amount.

Any performance-based incentives that are paid over time do not need to be deducted from the requested finance amount. State or federal tax credits resulting from the installation of Eligible Products also do not need to be deducted from the requested finance amount; however, you may wish to consider these additional benefits in determining your requested financing amount.

### Solar Rebates

If you plan to install solar PV or solar water heating systems, the project must be eligible for and participate in the appropriate CSI rebate program, if available. Most solar installers can assist you with applying for these rebates.

## 2.9 Eligible Number of Assessments

You may apply for another Assessment under the Program for the same Property or an additional Property(ies), as long as all Assessments under the Program for a particular Property still meet all Program guidelines as to maximum Assessment limits. For all applications submitted after September 2, 2016, a residential property owner submitting multiple applications for the same property must meet certain underwriting rules for the combined value of all applications based on the valuation criteria as indicated in Section 2.6:

1. All PACE liens combined must be less than 15% of property market value,
2. In accordance with State Law, all annual payments combined (annual property tax + all PACE annual payments) must be less than 5% of property market value,
3. All debt liens combined (mortgages + all PACE liens) must be less than 97% of Property market value.

## 2.10 Additional Program Terms and Disclaimers

This section further highlights certain of the obligations you will have as a participant in the Program.

### Property Owner Agrees to All Program Terms

By signing the Assessment Contract and related Financing Documents, you and all other Property Owners certify that you have read, understood and agree to the terms of the Program as outlined in the Property Owner Handbook in addition to the terms of the Assessment Contract. You and all other Property Owners also certify that you, the Property, and the products meet all Program eligibility requirements.

### Authority to Install Products

By signing the Financing Documents, you and all other Property Owners represent that you have the authority to install the approved Eligible Products on the Property named in the Assessment Contract.

### No Endorsement by Program Administrator

You and all other Property Owners agree that you understand that the Program Administrator's review of the proposed products and approval for Program funding shall not be construed as confirming or endorsing the qualifications of you, the Participating Contractor, or any other person involved with the products; endorsing the design of the products; or as warranting the economic value, energy savings, safety, durability or reliability of the products.

### Property Owner Is Responsible for Products, Permits and Inspections

Although the Program Administrator sets minimum efficiency standards for eligible products, you are solely responsible for all products installed on your Property, including the selection of any Participating Contractor(s), energy auditor(s), or equipment. Any performance-related issues are the responsibility of you and the Participating Contractor(s). Neither the Sponsor, the purchaser of bonds issued by the Sponsor, or the Program Administrator is responsible for the performance of the products. Completion of all city and county permitting and inspections are the responsibility of you and the Participating Contractor.

### **Right to Validate Products by Program Administrator**

You have agreed that the Program Administrator may perform independent on-site validation(s) of any Eligible Products financed through the Program, including if permit inspections have already been completed. If a validation visit is required, the Program Administrator will schedule any such on-site validation visit with you at your convenience.

### **Defaults on Assessment Payments**

Not later than October 1<sup>st</sup> of every year until your Assessment Obligation is paid off it will be determined whether any Annual Assessment Obligation is delinquent. After written notification, defaults in payment of Annual Assessment Obligations may result in the initiation of foreclosure proceedings with respect to the Property on the December 1<sup>st</sup> following such default.

### **Rebates and Tax Credits**

Federal, state or local laws or rebate programs may change at any time. Therefore, neither the Sponsor nor the Program Administrator is liable for any loss of or change in a rebate or tax credit. You should consult your tax advisors and/or accountants as to the applicability of any federal tax credits to your personal tax situation.

### **Tax Deductibility of Assessment**

The interest portion of your PACE assessment may be tax deductible. You are urged to consult a tax advisor regarding the deductibility of such payments.

### **Program Database**

All information obtained from you through the Program will be used only for purposes of the Program.

### **Releases and Indemnification**

By submitting an application, you acknowledge that the Sponsor has formed the Program solely for the purpose of assisting you and other Property Owners in the Participating Community with the financing of approved Eligible Products and that the Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the products. You and all other Property Owners shall be solely responsible for the installation, operation, financing, refinancing or maintenance of the products. Participation in the Program does not in any way obligate the Sponsor, the purchasers of bonds from the Sponsor, or the Program Administrator to guarantee or ensure the performance of any products. You acknowledge that you will be responsible for payment of the Total Assessment Obligations regardless of whether the products are properly installed or operate as expected.

You also agree to release, defend, indemnify and hold harmless the Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator, including their officers, directors, employees, affiliates and agents, from and against any claims, actions, demands, costs, damages or lawsuits, including the payment of attorneys fees and cost of court, arising out of or in any way connected with your participation in this Program, including, without limitation, the installation, maintenance or repair of the products or compliance with any applicable federal, state or local laws.

### **Disclosure of Participant Information**

By submitting an application, you agree that the Sponsor may disclose your personal information to the Program Administrator, and that the Sponsor and the Program Administrator may disclose that information to third parties when such disclosure is essential to the conduct of the Sponsor's or its member agencies' business or to provide services to you, including, but not limited to, where such disclosure is necessary to (i) comply with the law, legal process or regulators, (ii) enable the Sponsor or the Program Administrator to provide services to you and to otherwise perform their duties, and (iii) obtain and provide credit reporting information. The Privacy Policy Notice provides further details on the Sponsor's information collection and sharing practices.

You agree to the release of your name and contact information and the Property's utility usage data from the local utility company for 12 months before installation of the improvements and up to 24 months after the end of the financing term to the Sponsor and the Program Administrator for the purpose of conducting surveys and evaluating the Program and its impact. In addition, you understand that the Sponsor is a public agency which, in certain circumstances, may have an obligation to release information under the California Public Records Act or pursuant to court order.

### Renewable Energy Certificates and other Environmental Attributes

If you install solar PV or non-PV electricity generating systems, Renewable Energy Certificates (RECs) and all related environmental attributes will be assigned to the Sponsor for the length of the financing term.

## 3 Financial Terms

### 3.1 Assessment Costs

Below are the costs associated with Program financing. All interest rates and fees are subject to change. Interest rates and fees for an Assessment are set at the time that Financing Documents (see Section 4.6) are issued. If work is not completed by the Expiration Date indicated on the Financing Documents, then the Program Administrator reserves the right to require you to enter into a new Assessment Contract for Program financing. The new contract may have a different interest rate and costs.

#### Upfront Costs

Upfront Costs are one-time fees that become part of the Assessment including the following:

#### Program-Related Fees

Program-Related Fees are one-time fees added to the Assessment at the time of funding. Program-Related Fees include the costs of Program administration and origination, bond counsel, Program sponsor fee (the Sponsor), and tax administration. The amount of the Program-Related Fees is identified in the Financing Statement.

#### Lien Recording Fee

You will need to pay for any and all fees the Sponsor charges to record the Assessment lien documents on your Property. These fees will be added to the Assessment amount. The Lien Recording Fee amount will be listed in the Financing Statement.

#### Reserve Fees

Reserve fees are one-time fees or deposits incurred at funding to pay for reserves that support bondholders' and mortgage holders' interests. The amount of the deposit to all reserve funds will be provided in the Financing Statement. These include:

- **Reserve Fund:** A deposit to pay debt service on the bonds in the event of delinquencies in payments of Assessments.
- **Foreclosure Fee:** This fee does not apply under all Sponsors. A deposit to cover the Sponsor's costs to initiate judicial foreclosure for properties of Property Owners that are delinquent on payment of their Annual Assessment Obligations.

The amount of the deposit to all reserve funds will be provided in the Financing Statement.

#### Capitalized Interest

Based on the Funding Date of your Assessment Contract, payments on your Assessment may not begin until the following year's tax statement. Capitalized Interest is the amount of interest that is added to the Assessment amount for the period prior to the first tax year in which payment is made. The amount of Capitalized Interest for your Assessment will be included in the Financing Statement.

#### Estimated Administrative Expenses (Annual)

Each year an administrative fee will be included in the Annual Assessment Obligation on your property tax bill. This fee covers the annual costs to place the lien on the property tax rolls and manage the tax payments. These expenses may vary over the Term based on changes to local government and the County fees. The Estimated Administrative Fees will be identified in the Assessment Contract and will not exceed \$100 per year.

### 3.2 Annual Repayments

You will repay Principal and interest, plus an Estimated Administrative Expense over 5, 10, 15, 20, 25 and 30\* years, depending on the approved Term. Payment will be billed and paid through a separate line item on your property tax bill. As with other property taxes, the Annual Assessment Obligation is due in one or two installments each year. The payment schedule will be attached to the Assessment Contract that you sign. Failure to repay the Annual Assessment Obligation will result in interest and penalties and may result in foreclosure on your Property.

\*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

### 3.3 Foreclosure

Not later than October 1 each year, the County shall determine whether any annual assessment obligation is not paid when due and shall have the right to order that any such delinquent payment, penalties, interest, and associated costs be collected by a foreclosure action brought in Superior Court that could result in a sale of the Property for the payment of such delinquent assessment obligation.

### 3.4 Prepayment of the Assessment

The Assessment may be prepaid, in whole or any other amount of \$2,500 or more, at any time. Prepayments will be applied at the end of the month in which funds are received. Upon request, a payoff statement and payment instructions will be provided. The prepayment amount will include (i) a credit for any refund of capitalized interest, (ii) accrued interest and interest that would otherwise accrue on the amount prepaid through the first bond interest payment date that is at least 65 days following the date of the prepayment and (iii) the reasonable costs of the County related to the prepayment.

If you make any prepayments, then on or prior to June 30\*, an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to repay all amounts then due under the Assessment by the end of the original term of this Agreement will be sent. **While you will enjoy a lower annual installment following a prepayment, the term of the Assessment will not reduce. Therefore, you will pay more interest over the remaining term of the Assessment than you would pay if the subsequent annual installments were not reduced because the remaining principal balance of the Assessment will be repaid more slowly.**

\*This date will change depending on year and Sponsor. Please contact Renew Financial for the exact dates.

Due to circumstances outside the Sponsor's control, prepayments made after June 30 of any calendar year may result in you receiving a tax bill that does not reflect that prepayment. In these circumstances, you must pay the full tax bill and the Sponsor will refund overpayments to you when the Sponsor receives the money from the tax collector.

In order to prepay, you will need to contact the Program Call Center to initiate the prepayment. If the Assessment is to be prepaid in full or part, this will include a calculation of the prepayment amount as described above. Renew Financial does not charge the property owner a fee when a prepayment is made.

## 4 Program Process

This section describes the application and financing process for you and the Participating Contractor.

### 4.1 Scope of Project - Obtain Quote

You can select which Eligible Product(s) you wish to finance through the Program. A Participating Contractor can help you determine which measures are best suited for your home and offer the best energy savings.

Funding is only available for products listed on the Eligible Products List and Custom Products, if approved by the Program Administrator. Eligible Products are listed in Appendix C of this Handbook.

#### Energy Audit and Solar Site Evaluation

It is highly recommended that you get a comprehensive energy and/or water audit on your Property before considering any Eligible Products. An energy or water audit can help you identify which products are most applicable to your home and which present the greatest energy or water savings potential.

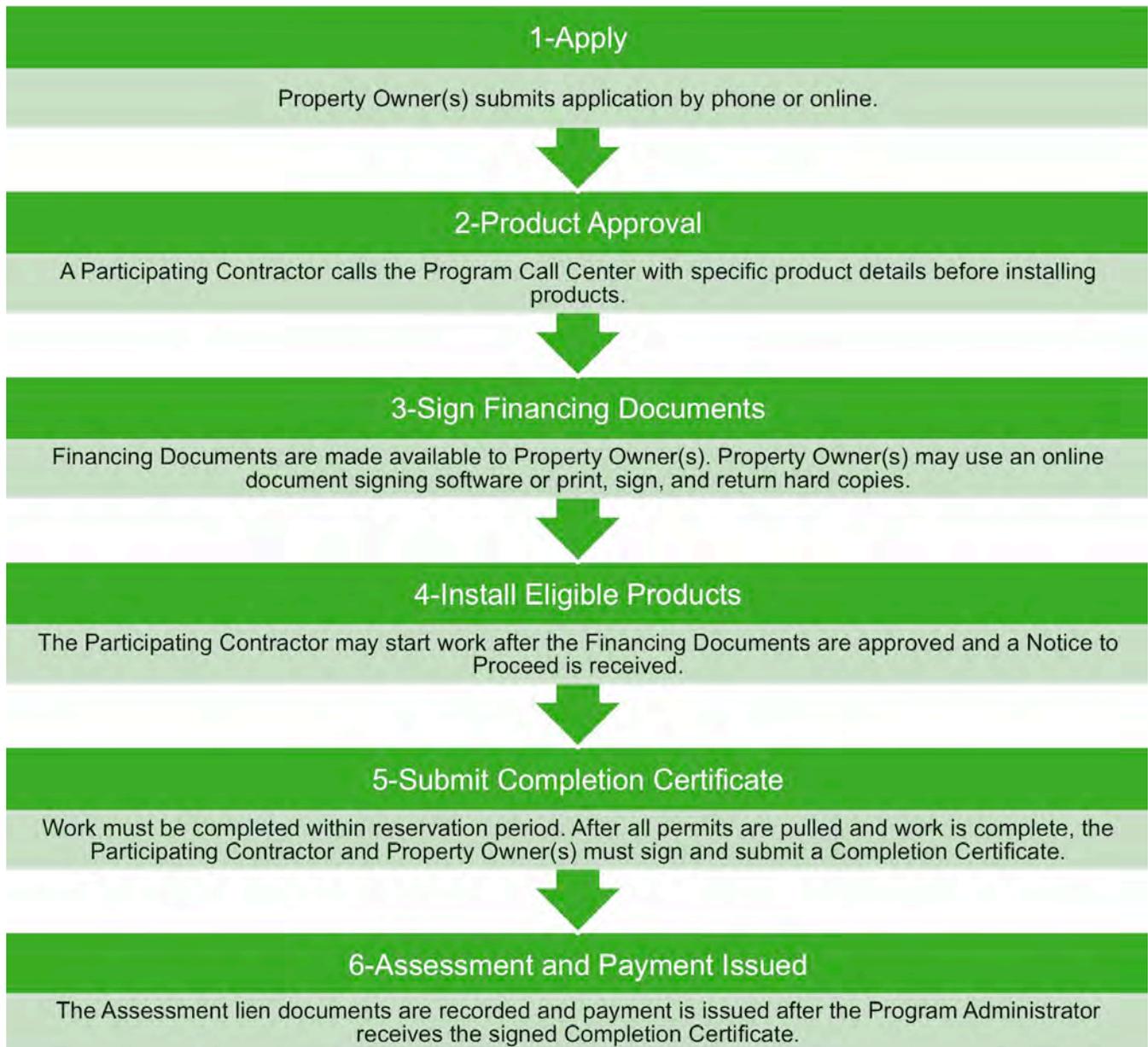
If you are interested in solar PV or solar thermal, many solar contractors can provide a solar evaluation of your home.

#### Eligible Products

Prior to submitting an application, you should work with your Participating Contractor to determine whether a product is eligible by reviewing the current Eligible Products List. However, you should not purchase or install Eligible Products until you have a Notice to Proceed from the Program Administrator.

### 4.2 Process Overview

The chart below shows the steps to finance an Eligible Product through the Program:



### 4.3 Apply for the Program

#### Application

You will need to complete an application to receive financing. You can submit the application online, by phone, or mail at the contact information provided in Section 1.2.

Submission of an application does not guarantee that you will be approved for financing. Additionally, if you proceed with installing your project prior to receiving approval, you assume the risk that your project, Property or Participating Contractor may not be eligible for financing.

By submitting an application, you are specifically authorizing and agreeing that the Program Administrator has permission to obtain a credit report for each Property Owner and any other informational reports needed to verify bankruptcy and current property debt,

obtain a property valuation, verify your declarations regarding title to the Property and current and historical property tax status, and complete any other necessary record checks to verify information in the application or confirm eligibility for the Program.

**Participating Contractor Call In or Online Application**

Participating Contractors may submit an application online on your behalf or call in an application to the Program. You and all other Property Owners must be available to provide information and authorization for a credit report to be pulled when the Participating Contractor calls in the application.

**Hard Copy Application**

A hard copy application is available for you to fill out. You may obtain the hard copy application from the Program website or from your Participating Contractor. Once completed, you may submit a hard copy application by mail or fax.

**Financing Disclosures**

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

**Existing Mortgage.** The Program establishes the manner by which the Sponsor may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and the Sponsor.

BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE SPONSOR. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

See Section 3.4 for details on prepayment of the Assessment.

If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

**Foreclosure.** Please see section 3.3.

**4.4 Application Review**

The Program Administrator will review the application and issue a notification of status as defined below.

**Application Review Results**

You will receive an email notification of the status of your application immediately if applying through the contractor call in method. If applying through a hard copy application, the Program Administrator will notify you of the application status determination by email or mail once the application is processed. There are three possible application review results:

Approved. An application will be approved if the Program Administrator has verified all of the items' eligibility requirements and Eligible Products have been approved. An "approved" applicant will receive the Financing Documents listed in Section 4.6 for electronic signature.

Pending. An application will be considered "Pending" if all the submitted information meets the underwriting eligibility requirements, but additional information or documentation is required to complete the application. The applicant can be approved once additional information is received. Examples of reasons for a project to be "pending" may include 1) that required trust or corporate authorization for applicable Properties is not yet provided, 2) credit report(s) must still be pulled,

and/or 3) Eligible Product information is not yet provided. "Pending" applicants will be notified by email of the issues that need to be resolved before the application can move forward.

Declined. An application will be declined if the Program Administrator determines the applicant(s), the Property, or Products do not meet the Eligibility Requirements. A Property Owner will be notified by US mail of the specific reason(s) why his or her application was denied. If the Property Owner believes there has been an error based on the stated reasons in the declination letter and is unable to resolve it quickly by contacting the Program Administrator, the Property Owner must follow the steps set forth in Section 6, Dispute Resolution, in order to formally contest the Program Administrator's decision.

## 4.5 Obtain Program Approval for Eligible Products

You must obtain approval of all Eligible Products to be installed prior to installation.

### Contact Call Center for Product Approval

You or your Participating Contractor will need to call the Program Call Center to obtain approval of specific Eligible Products and installation costs before an application can be approved. The installation cost provided by you or your Participating Contractor to the Program Administrator is a "Not to Exceed" amount and the final invoiced amount of the project may not exceed this number.

The current Eligible Products List and the minimum requirements for each Eligible Product are available in Appendix C.

### Product Cost Review

Applications may be reviewed by the Program Administrator and/or the Sponsor to assess the costs of installed eligible products and ensure consumer protection standards are being met. You should notify CaliforniaFIRST if your project installation has extenuating issues that could cause an increase in project costs.

### Custom Products

If you wish to finance a Custom Product, you must request approval for the Custom Product. To do so, you or your Participating Contractor must complete the Custom Product Application and provide information on the product, such as:

- (a) product specifications,
- (b) the cost to install, and
- (c) estimated energy or water savings or renewable energy production.

During Custom Product review, the Program Administrator may request additional documentation or additional contractor(s)' bid(s) for proposed Custom Products in order to determine that the submitted bid(s) appear to be reasonable as to cost or scope.

All Custom Product Applications must be approved by the Program Administrator and may require approval by the Sponsor.

The Program Administrator reserves the right to deny any Custom Product Application. Reasons for denial may include the following: the product is too experimental or unreliable; the claimed energy or water savings or renewable energy generation product is not clearly supported; the costs do not appear to be in conformance with industry standards; or installation of the product may violate local laws or regulations. The Program Administrator will provide a written explanation for any denial of a Custom Product Application.

## 4.6 Financing Documents

After Eligible Products are approved, the Program Administrator will provide you with your Financing Documents for signature. The Financing Documents must be signed and received by the Program Administrator within 5 days of the Assessment Contract Date. Financing Documents are generally signed with electronic signature. If Financing Documents are printed for signature, all signed documents must be notarized. Below is a list of the Financing Documents that will be provided:

### Financing Documents Provided

1. Welcome Letter (with Property Owner Handbook link)
2. Financing Application & Disclosure
3. Assessment Contract
4. Financing Estimate and Disclosures
5. Notice of Right to Cancel
6. Electronic Record and Signature Disclosure (upon request)
7. Privacy Policy

8. Customer Verification PIN Requirement

#### **Financing Documents to Return to the Program**

1. Signed Financing Application & Disclosure
2. Signed Assessment Contract
3. Signed Financing Estimate and Disclosures
4. Acknowledged Notice of Right to Cancel
5. Customer Verification PIN Requirement

If you or any of the other Property Owners fail to sign and submit Financing Documents by the required date, new Financing Documents may need to be issued. Reissuance of Financing Documents may impact the length of time remaining for installation, result in a new interest rate, and/or change other fees.

### **4.7 Installation of Eligible Products**

After Financing Documents are signed and returned, you and your Participating Contractor will receive a Notice to Proceed, which indicates that you may begin your project. The Notice to Proceed will indicate the time by which all Eligible Products must be installed and payment requested. Eligible projects will have a 150-day period to install products.

A Completion Certificate will also be sent with the Notice to Proceed. You must complete and return the Completion Certificate after the project has been installed by your Participating Contractor prior to the Expiration Date in order to receive funding.

You and your Participating Contractor are responsible for attaining all necessary approvals from a homeowners' association and/or historical review board regarding the installation of Eligible Products, as applicable to the Property.

If the approval period expires, the Property Owner may be required to submit a new application and may be subject to a new interest rate.

**The Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.**

#### **Building Permits and Inspection**

You and your Participating Contractor are responsible for obtaining building permits and completing final inspections by the appropriate city or county Building Department. You and your Participating Contractors are also responsible for ensuring that your Eligible Products have met all other applicable federal, state and local laws and regulations. You should speak with your Participating Contractor to determine if your Eligible Products require a building permit and/or inspection and what requirements must be met.

### **4.8 Submit Completion Certificate**

Once installation is complete, you must submit an executed Completion Certificate and all required attachments to the Program Administrator for approval by the Expiration Date.

The Completion Certificate must be submitted with the following documents:

1. Final invoice or contract from Participating Contractor which includes a detailed scope of work (including all financed products) and costs;
2. If required by the jurisdiction, a pulled permit from the appropriate city or county building department for all permitted Eligible Products or Custom Products.

The required attachments are listed on your Completion Certificate Instructions page. The Completion Certificate and required attachments may be submitted to the Program Administrator by fax, mail or via the electronic signature portal.

#### **Assignment of Payment**

Payment may be assigned to the contractor or designee.

#### **Generation of New Financing Documents**

New Financing Documents must be generated if the Completion Certificate indicates a final financing amount that exceeds the amount approved at application. All appropriate documents reflecting the new financing amount must be signed and a 3-day rescission period will be required prior to the Program Administrator generating a new Completion Certificate.

#### **Right to Validate Products by Program Administrator**

The Program Administrator reserves the right to perform independent on-site validation(s) of any Eligible Products financed through the Program at any time, including if permit inspections have already been completed. If a validation visit is required, the Program Administrator will schedule any such on-site validation visit with you.

#### **Payment**

The timing of payment is dependent on when the Completion Certificate and all other requirement documents are received and approved by the Program Administrator. Payment will be issued to your Participating Contractor or a payment designee as indicated on your final Completion Certificate. If payment is issued to the Contractor, we will issue payment within 2 business days of approving the Completion Certificate if payment is wired directly into the bank account account.

### **4.9 Record Lien on Property and Issue Payment**

After receiving the executed Completion Certificate and associated documents, the Program Administrator will record the Assessment lien documents on your Property with the county, issue bonds and disburse payment.

### **4.10 Add Assessment to Property Taxes**

The Assessment and a notice of assessment will be recorded with the county and appear along with interest and administrative expenses on your property tax bill for the duration of the Term.

#### **Annual Assessment Obligation Payments on Property Tax Bill**

You must be able to pay the agreed-upon Total Assessment Obligations regardless of a change in personal financial circumstances, the condition of the Property, or the condition of the newly installed Eligible Products. As with other property taxes, failure to pay the Total Assessment Obligations will result in penalties, interest and, eventually, foreclosure of the Property by the Sponsor or the county tax collector.

Recordation of the Assessment lien on the Property will establish a continuing annual lien. As with other property taxes, you may pay the entire annual amount due on the date the first installment is due or you may pay in two installments on the dates the installments are due.

Under California law, property taxes and assessments typically stay with the Property when it is sold. However, if you attempt to refinance your Property once the Assessment lien is recorded on the Property, your lender may require that you pay off the entirety of the Assessment prior to granting approval of your refinancing. Similarly, if you wish to sell your Property after the Assessment lien is recorded, the purchaser's mortgage lender may require that the Assessment be paid off in full prior to granting approval of a new mortgage to the purchaser for your Property. You should consult your lenders at the time of refinance or sale of the Property to determine whether your Assessment will need to be paid in full. In addition, by law, you must provide notice of the Assessment to a buyer prior to sale of the Property.

If you use an impound account to pay your taxes, you should contact your lender to increase monthly impound payments by an amount equal to the total Annual Assessment Obligation divided by 12 months.

The Annual Assessment Obligation will be based on the Project Amount, Upfront Costs, the effective Interest Rate of the Program, and Estimated Administrative Fees. Estimated amounts will be specified in the Assessment Contract and in the Financing Statement.

## **5 Product Installation Requirements**

### **5.1 Contractor Sign-Up**

All contractors who install Eligible Products under the Program must sign-up with CaliforniaFIRST in order to become a Participating Contractor.

To be eligible as a Participating Contractor in the Program, contractors must be licensed by the State of California and in good standing with the CSLB, meet all applicable bonding and insurance requirements, and meet any fraud check requirements, and agree to the terms and conditions of a Program. All contractors must meet the requirements outlined here:

<https://renewfund.secure.force.com/apply/resource/1482564616000/ContractorEnrollmentRequirement>

When a contractor is accepted into the CaliforniaFIRST Program, it is required that he/she agrees to abide by all Program terms and conditions as listed in the Contractor Participation Agreement and comply with all policies and procedures outlined in any handbook or other policy document Renew Financial provides to Participating Contractors, each as amended from time to time, including:

- pulling permits as required by the local building department,
- obtaining approval of proposed Eligible Products,
- installing Eligible Products that meet the required eligibility specifications,
- obtaining a business license in each jurisdiction where the contractor does Program-financed work, and
- only installing Eligible Products for which he/she has the correct contractor's license.

If your contractor is interested in being part of the Program but has not yet become a Participating Contractor, please have him or her call CaliforniaFIRST at the Contractor Registration contact information provided in Section 1.2 or visit [www.renewfinancial.com](http://www.renewfinancial.com).

## 5.2 Building Permits and Inspection

You and your Participating Contractor are responsible for obtaining building permits and completing final inspections by the appropriate city or county Building Department. You and your Participating Contractors are also responsible for ensuring that your Eligible Products have met all other applicable federal, state and local laws and regulations. You should speak with your Participating Contractor to determine if your Eligible Products require a building permit and/or inspection and what requirements must be met.

## 5.3 Fraudulent Activity

Any misrepresentations made in connection with the Program in the application, the Participating Contractor's bid, or any other document at any time while you are participating in the may result in a denied application, a notification that any installed Eligible Products will be at your expense, or a legal proceeding, civil or criminal, to recover any fraudulently obtained funds, or other legal action.

## 5.4 Required Documents

Required documents must be submitted at different steps in the Program process. For a list of required documents which must be submitted and when they need to be submitted, please see Section 4, Program Process.

# 6 Dispute Resolution

You, the Sponsor and the Program Administrator shall attempt in good faith to promptly resolve any dispute arising out of or relating to any Assessment Contract under the Program. Any party must give the other parties written notice of any dispute. Within 30 calendar days after delivery of the notice to the Program Administrator address or email per Section 1.2, you and the Sponsor and/or the Program Administrator shall have a meeting, and shall attempt to resolve the dispute. If the matter has not been resolved within 30 calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference. You and the Sponsor are required to continue to perform the obligations under the Assessment Contract pending final resolution of any dispute arising out of or relating to the Assessment Contract.

Dispute resolution will follow a similar process if you wish to dispute decision(s) made by the Program Administrator on behalf of the Sponsor, but have not signed a formal Assessment Contract. Written notice must be sent to the Program address identified in Section 1.2. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events. Within 30 calendar days after delivery of the notice, you, the Sponsor and the Program Administrator shall attempt to resolve the dispute. The Program Administrator on behalf of the Sponsor shall render a final written decision in 30 calendar days and send that decision to you.

# 7 Appendices

## Appendix A: Other Useful Resources

<b>California Solar Initiative (Go Solar California)</b>	The California Solar Initiative (CSI) is the solar rebate program for California consumers that are customers of the investor-owned utilities.	<a href="http://www.gosolarcalifornia.ca.gov/contacts/consumers.php">http://www.gosolarcalifornia.ca.gov/contacts/consumers.php</a>
<b>Contractors State License Board</b>	The Contractors State License Board (CSLB) protects consumers by licensing and regulating California's construction industry.	<a href="http://www.cslb.ca.gov">www.cslb.ca.gov</a>  CLSB License Check check Contractor's License Status 1 (800) 321-CSLB (2752)
<b>Federal Tax Credits</b>	Information page about federal tax credits available for energy efficiency and renewable energy improvements.	<a href="http://www.energysavers.gov/financial/70010.html">www.energysavers.gov/financial/70010.html</a>
<b>State and Local Rebates</b>	See your local utility company information above. See also, Energy Upgrade California to search for rebates by zip code.	See local utility company information above. See also Energy Upgrade California, <a href="https://energyupgradeca.org/">https://energyupgradeca.org/</a>
<b>Energy Star</b>	Energy Star is a government-backed program helping businesses and individuals protect the environment through superior energy efficiency. Energy Star provides energy efficiency standards, qualified and labeled energy efficiency products and recommended installation methods, among other things.	<a href="http://www.energystar.gov">www.energystar.gov</a> Energy Star Hotline for specific questions about specific products (888) 782-7937
<b>Building Performance Institute</b>	BPI is a national standards development and credentialing organization for residential energy efficiency retrofit work – providing training through a network of training affiliate organizations, individual certifications, company accreditations and quality assurance programs.	<a href="http://www.bpi.org">www.bpi.org</a> (877) 274-1274
<b>California Building Performance Contractors Association</b>	CBPCA is a non-profit 501c-6 trade association that develops, trains and promotes whole house energy-efficient retrofitting for contractors and professionals in the building performance industry. BPI and HERS training and certification are available.	<a href="http://thebcpca.org/">http://thebcpca.org/</a> (510) 433-5042
<b>CalCERTS</b>	CalCERTS is an approved California Energy Commission (CEC) Home Energy Rating System (HERS) Provider. CalCERTS, Inc. is a private organization that provides service, support, training and certification to HERS raters.	<a href="https://www.calcerts.com/">https://www.calcerts.com/</a> (877) 437-7787
<b>Title 24 Hot Line</b>	The Title 24 Hotline is provided by the California Energy Commission and is intended to help contractors and others interpret and understand the rules in California's Title 24 regulations for new construction of and retrofitting of residential and commercial buildings.	<a href="http://www.energy.ca.gov/efficiency/contacts.html">http://www.energy.ca.gov/efficiency/contacts.html</a> (800) 772-3300 Mon.-Fri. 8AM – 12 PM, 1 PM – 4:30 PM

## Appendix B: Program Forms and Documents

Samples of Program documents can be found at [the following links](#):

***Sample CaliforniaFIRST Financing Documents***

<https://renewfinancial.box.com/v/cafirst-fin-docsh>

***Sample Notice to Proceed***

<https://renewfinancial.box.com/v/cafirst-ntp>

***Sample Completion Certificate***

<https://renewfinancial.box.com/v/cafirst-comp-cert>

***Contractor Participation Agreement***

<https://renewfund.secure.force.com/apply/resource/1482564616000/ContractorEnrollmentRequirements>

## Appendix C: Eligible Products List

# Eligible Product List

All product specifications and installation quality must meet or exceed applicable local and state permitting, codes and health and safety standards. CaliforniaFIRST requires permits for many of the products below if required by the local jurisdiction. All products must be installed per manufacturer's specifications. All products must be permanently installed and remain at the property upon sale or transfer.

Product Category	Product Type	Eligibility Criteria	Permit Needed?	Max Term
Appliances	Clothes Dryer	Product must comply with Title 24. Product must be permanently affixed to the home. Product is not eligible in Los Angeles County or WRCOG.	No	10
Appliances	Clothes Washer	Product must comply with Title 24. Product must be permanently affixed to the home. Product is not eligible in Los Angeles County or WRCOG.	No	10
Appliances	Dishwasher	Product must comply with Title 24. Product must be permanently affixed to the home. Product is not eligible in Los Angeles County or WRCOG.	No	10
Appliances	Freezer	Product must comply with Title 24. Product must be permanently affixed to the home. Product is not eligible in Los Angeles County or WRCOG.	No	15
Appliances	Refrigerator	Product must comply with Title 24. Product must be permanently affixed to the home. Product is not eligible in Los Angeles County or WRCOG.	No	15
Drought Tolerant Landscaping	Artificial Turf	Product must be water-permeable.	No	15
Drought Tolerant Landscaping	Hardscape	Impervious hardscape must be installed so that entire surface drains to one of the following: a. Bioretention Basin with a surface area of the Basin must be at least 4% of the area draining to it. b. Dry Well or Infiltration Basin with a volume of at least 50 gallons (6.8 cubic feet) per 100 sq ft of the area draining to it. Financed amount cannot include the cost of plants. Product is not eligible in Los Angeles County.	No	20
Drought Tolerant Landscaping	Permeable Ground Cover	Product must be water-permeable. The following products are eligible: Decomposed granite, Pavers and patio stones with a minimum of 1/4" joint spacing, Gravel/rock/boulders/stone, Artificial Turf underlayment. (Plants and biodegradable material are not eligible.) Product depth must be at least 2".	No	20
Electric Vehicle Charging Station	Electric Vehicle Charging Station	Product must be a Level 2 charger with SAE J1772 standard charging plug.	Yes	10
Fuel Cells	Stationary Fuel Cell Power System	System must be certified as meeting the ANSI/CSA America FC1 standard. Installation must comply with the Standard for the Installation of Stationary Fuel Cell Power Plants (NFPA 853).	Yes	10
HVAC	Air-Source Heat Pump	Product must comply with Title 24.	Yes	15
HVAC	Attic Fan	Product must have a thermostat control.	No	15
HVAC	Boiler	Product must comply with Title 24.	Yes	20
HVAC	Ceiling Fan	Product must comply with Title 24.	No	10
HVAC	Central Air Conditioner	Product must comply with Title 24.	Yes	15
HVAC	Duct Insulation	Product must comply with Title 24.	No	20
HVAC	Duct Replacement	Product must comply with Title 24.	No	20
HVAC	Duct Sealing	Product must comply with Title 24.	No	20
HVAC	Ductless Mini-Split	Product must comply with Title 24.	Yes	15
HVAC	Ductless Mini-Split Air Conditioner	Product must comply with Title 24.	Yes	15
HVAC	Energy Recovery Ventilation (ERV) System	Product must be certified by the Home Ventilating Institute (HVI).	No	15
HVAC	Evaporative Cooler	Product must comply with Title 24. Product must be permanently affixed to the home.	No	15
HVAC	Furnace	Product must comply with Title 24.	Yes	20
HVAC	Gas Fireplace	Product must comply with Title 24.	Yes	20
HVAC	Geothermal Heat Pump	Product must comply with Title 24.	Yes	20
HVAC	Heat Recovery Ventilation (HRV) System	Product must be certified by the Home Ventilating Institute (HVI).	No	15
HVAC	Heating and Air Conditioning Package Unit	Product must comply with Title 24.	Yes	15
HVAC	Pellet Stove or Insert	Product must be on the List of EPA Certified Wood Stoves.	No	20
HVAC	Programmable Thermostat	Product must comply with Title 24.	No	15
HVAC	Radiant Heating	Product must comply with Title 24.	Yes	15
HVAC	Ventilating Fans	Product must comply with Title 24.	No	10
HVAC	Whole House Fan	Product must comply with Title 24.	No	20

# Eligible Product List

Indoor Water Efficiency	High-Efficiency Faucet Fitting	Product must comply with Title 24.	No	15
Indoor Water Efficiency	High-Efficiency Showerhead	Product must comply with Title 24.	No	15
Indoor Water Efficiency	Toilets	Product must comply with Title 24.	No	25
Indoor Water Efficiency	Urinal	Product must comply with Title 24.	No	20
Indoor Water Efficiency	Water Delivery Systems	Product must meet the definition of one of the following water delivery options: Dedicated Recirculation Line, Whole House Manifold System, Demand-initiated Recirculating System, Core Plumbing System. Installation cannot include any work on the wastewater system or the city main.	Yes	25
Insulation and Air Sealing	Air Sealing	Product must comply with Title 24.	No	20
Insulation and Air Sealing	Attic Insulation	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Floor Insulation	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Foam Insulation - Attic or Roof	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Wall Insulation	Product must comply with Title 24.	No	25
Lighting	Indoor Lighting Fixtures	Product must comply with Title 24 or use LED technology.	No	20
Lighting	Lighting Control	Product must comply with Title 24.	No	20
Lighting	Outdoor Lighting Fixtures	Product must comply with Title 24 or use LED technology.	No	20
Outdoor Water Efficiency	Drip Irrigation	Product must be installed in turf, garden, planter, or flowerbed areas.	No	10
Outdoor Water Efficiency	Greywater Systems	N/A	Yes	15
Outdoor Water Efficiency	Rainwater Catchment Systems	Product must comply with SoCal WaterSmart Program Guidelines.	No	20
Outdoor Water Efficiency	Rotating Sprinkler Control	Product must comply with SoCal WaterSmart Program Guidelines.	No	10
Outdoor Water Efficiency	Weather-Based Irrigation Control Systems	Product must be WaterSense Certified.	No	10
Pool Equipment	Automatic Pool Covers	Product must be automatic.	No	10
Pool Equipment	Gas Pool Heater	Product must comply with Title 24.	Yes	10
Pool Equipment	Heat Pump Pool Heater	Product must comply with Title 24.	Yes	10
Pool Equipment	Pool Filter	Product must be a cartridge pool filter. Product is not eligible in Los Angeles County or WRCOG.	No	5
Pool Equipment	Pool Pump and Motor	Product must comply with Title 24.	No	10
Roofing and Siding	Cool Roof - Performance	One of the following performance criteria must be met in order to be eligible: Eligible Attic Insulation is installed (R38), Eligible Duct Replacement is installed in attic, Eligible Duct Sealing and Duct Insulation is completed in attic, Eligible Radiant Barrier is installed, 1 inch air-space is installed between top of roof deck and bottom of roofing product, Insulation is installed above roof deck with R-value $\geq 2$ .	Yes	25
Roofing and Siding	Cool Roof - Prescriptive	Product must comply with Title 24 criteria for cool roofs in ALL climate zones.	Yes	25
Roofing and Siding	Exterior Coating	Product must have solar reflectance $\geq 0.5$ as tested by third-party laboratory using ASTM C1549-09 test method. Product color must be listed on the Renew Financial Exterior Coating Pre-Approval List.	No	20
Roofing and Siding	Insulated Siding	One of the following performance criteria must be met to be eligible: The siding includes an insulated backing with R-value $\geq 2$ , OR Insulation with R-value $\geq 2$ is installed beneath the siding.	No	25
Roofing and Siding	Radiant Barrier	Product must comply with Title 24.	No	25
Safety and Resiliency	Seismic Retrofit	A copy of the pulled permit must be submitted for this product prior to funding. The permit must reference in the scope of work that the work is being done in accordance with Chapter A3, an approved standard plan set, or custom engineered solution. Product is not eligible in Los Angeles County or WRCOG.	Yes	25
Solar Photovoltaic	Solar Inverters	Product must be on California Solar Initiative Eligible Products list.	Yes	20

# Eligible Product List

Solar Photovoltaic	Solar Panels - PPA	Product must be on California Solar Initiative Eligible Products list. Product is not eligible in Los Angeles County.	Yes	20
Solar Photovoltaic	Solar Panels - With Monitoring	Product must be on California Solar Initiative Eligible Products list. To be eligible for a 30-year term, the system must monitor performance. (30-year term is not available in Los Angeles County, unincorporated Sacramento County, or the City of Chula Vista)	Yes	30
Solar Photovoltaic	Solar Panels - Without Monitoring	Product must be on California Solar Initiative Eligible Products list.	Yes	25
Solar Thermal	Solar Pool Heating	System must have OG-100 System Certification by Solar Rating and Certification Corporation (SRCC).	No	15
Solar Thermal	Solar Water Heating	Product must comply with Title 24.	Yes	15
Storage	Advanced Energy Storage Systems	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook.	Yes	10
Water Heating	Electric Heat Pump Tank Water Heater	Product must comply with Title 24.	Yes	10
Water Heating	Electric Tankless Water Heater	Product must comply with Title 24. Product is only eligible in WRCOG.	Yes	10
Water Heating	Gas Storage Tank Water Heater	Product must comply with Title 24.	Yes	10
Water Heating	Gas Tankless Water Heater	Product must comply with Title 24.	Yes	20
Water Heating	Hot Water Tank Insulation	Product must comply with Title 24.	No	10
Water Heating	Pipe Insulation - Hot Water	Product must comply with Title 24.	No	10
Water Heating	Water Heat Recovery	Heat exchanger must transfer waste heat from drain to hot water tank or hot water delivery system.	No	25
Water Heating	Water Softener	Product must be a central cation-exchange water softener. (Descalers, water conditioners, and other water treatment products are not eligible.) Product is not eligible in Los Angeles County or WRCOG	No	20
Wind Energy	Small Wind Turbine	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook.	Yes	20
Windows and Doors	Applied Window Films	Product must be NFRC Certified.	No	10
Windows and Doors	Doors	Product must comply with Title 24.	Yes	25
Windows and Doors	Exterior Shade Products	Product must be permanently installed on the building exterior to shade at least one window or door. The following products are eligible: Awning, Exterior window Shade, Solar screen, Patio cover, Roof overhang. (Other exterior structural elements are not eligible.) In Los Angeles County, product must be installed on the West or South side of property.	No	15
Windows and Doors	Interior Window Treatment	Product must be permanently installed on the interior of a window or door. The following products are eligible: Blinds, Shades, Interior Shutters. (Draperies, Insulated Panels, Mesh Screens, and Storm Panels are not eligible.) Product is not eligible in Los Angeles County or WRCOG.	No	10
Windows and Doors	Skylights and Tubular Daylighting Devices	Product must comply with Title 24.	No	20
Windows and Doors	Windows	Product must comply with Title 24.	Yes	25
Enabling Work	Enabling Work	Work must be installed on the property. Work must enable the installation of an eligible product. Total cost of Enabling Work cannot exceed \$10,000 and 25% of the total project cost. Product is not eligible in Los Angeles County or WRCOG.	No	5
Custom Product	Custom Product	Product must be approved by Program Administrator. Submissions can be entered here: <a href="https://renewfinancial.com/custom-product-request/">https://renewfinancial.com/custom-product-request/</a>	TBD	TBD

## Appendix D: Participating Communities by County

### Alameda

- Alameda
- Albany
- Berkeley
- Dublin
- Emeryville
- Fremont
- Hayward
- Livermore
- Newark
- Oakland
- Piedmont
- Pleasanton
- San Leandro
- Union City
- Unincorp. County

### Amador

- Ione

### Butte

- Chico
- Oroville
- Paradise
- Unincorp. County

### Contra Costa

- Antioch
- Brentwood
- Clayton
- Concord
- Danville
- El Cerrito
- Hercules
- Lafayette
- Martinez
- Moraga
- Oakley
- Pinole
- Pittsburg
- Pleasant Hill
- Richmond
- San Pablo
- San Ramon
- Walnut Creek
- Unincorp. County

### El Dorado

- Placerville
- South Lake Tahoe
- Unincorp. County

### Fresno

- Clovis
- Coalinga
- Firebaugh
- Fowler
- Fresno

- Huron
- Kerman
- Kingsburg
- Orange Cove
- Parlier
- Reedley
- San Joaquin
- Sanger
- Selma
- Unincorp. County

### Glenn

- Orland
- Unincorp. County

### Humboldt

- Arcata
- Blue Lake
- Eureka
- Fortuna
- Unincorp. County

### Imperial

- El Centro
- Imperial
- Unincorp. County

### Kern

- Arvin
- Ridgecrest
- Shafter
- Taft
- Wasco

### Kings

- Corcoran
- Hanford
- Lemoore

### Lake

- Clearlake

### Los Angeles

- Agoura Hills
- Alhambra
- Arcadia
- Artesia
- Avalon
- Azusa
- Baldwin Park
- Bell
- Bell Gardens
- Bellflower
- Beverly Hills
- Bradbury
- Burbank
- Calabasas
- Carson
- Cerritos
- Claremont

- Commerce
- Compton
- Covina
- Cudahy
- Culver City
- Diamond Bar
- Downey
- Duarte
- El Monte
- El Segundo
- Gardena
- Glendale
- Glendora
- Hawaiian Gardens
- Hawthorne
- Hermosa Beach
- Hidden Hills
- Huntington Park
- Industry
- Inglewood
- Irwindale
- La Canada-Flintridge
- La Habra Heights
- La Mirada
- La Verne
- La Puente
- Lakewood
- Lancaster
- Lawndale
- Lomita
- Long Beach
- Los Angeles
- Lynwood
- Malibu
- Manhattan Beach
- Maywood
- Monrovia
- Montebello
- Monterey Park
- Norwalk
- Palmdale
- Palos Verdes Estates
- Paramount
- Pasadena
- Pico Rivera
- Pomona
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Rosemead
- San Dimas
- San Fernando

**Los Angeles (cont.)**

- San Gabriel
- San Marino
- Santa Clarita
- Santa Fe Springs
- Santa Monica
- Sierra Madre
- Signal Hill
- South El Monte
- South Gate
- South Pasadena
- Temple City
- Torrance
- Walnut
- West Covina
- West Hollywood
- Westlake Village
- Whittier
- Unincorporated County

**Madera**

- Madera
- Unincorp. County

**Marin**

- Belvedere
- Corte Madera
- Fairfax
- Larkspur
- Mill Valley
- Novato
- Ross
- San Anselmo
- San Rafael
- Sausalito
- Tiburon
- Unincorp. County

**Mariposa**

- Unincorp. County

**Mendocino**

- Fort Bragg
- Point Arena
- Ukiah
- Unincorp. County

**Merced**

- Atwater
- Gustine
- Los Banos
- Unincorp. County

**Mono**

- Unincorp. County

**Monterey**

- Carmel-By-The-Sea
- Del Rey Oaks
- Gonzales
- Greenfield
- King City
- Marina

- Monterey
- Pacific Grove
- Salinas
- Sand City
- Seaside
- Soledad
- Unincorp. County

**Napa**

- American Canyon
- Calistoga
- Napa
- St. Helena
- Yountville
- Unincorp. County

**Nevada**

- Nevada City
- Truckee

**Orange**

- Aliso Viejo
- Anaheim
- Brea
- Buena Park
- Costa Mesa
- Fountain Valley
- Garden Grove
- Huntington Beach
- La Habra
- Laguna Beach
- Laguna Hills
- Lake Forest
- Mission Viejo
- Newport Beach
- San Clemente
- Santa Ana
- Stanton
- Tustin
- Westminster

**Riverside**

- Banning\*
- Beaumont
- Calimesa\*
- Canyon Lake\*
- Cathedral City
- Coachella
- Corona\*
- Desert Hot Springs
- Eastvale\*
- Hemet\*
- Indian Wells
- Indio
- Jurupa Valley\*
- La Quinta
- Lake Elsinore\*
- Menifee\*
- Moreno Valley
- Murrieta\*

- Norco\*
- Palm Desert
- Palm Springs
- Perris\*
- Rancho Mirage
- Riverside
- San Jacinto
- Temecula\*
- Wildomar\*
- Unincorp. County

**Sacramento**

- Citrus Heights
- Elk Grove
- Galt
- Rancho Cordova
- Sacramento
- Unincorp. County

**San Benito**

- Hollister
- San Juan Bautista
- Unincorp. County

**San Bernardino**

- Adelanto
- Barstow
- Big Bear Lake
- Chino
- Chino Hills
- Colton
- Fontana
- Hesperia
- Highland
- Montclair
- Ontario
- Rancho Cucamonga
- Redlands
- Rialto
- San Bernardino
- Twentynine Palms
- Upland
- Victorville
- Yucca Valley
- Unincorp. County

**San Diego**

- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway

- **San Diego (cont.)**
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- Unincorp. County
- **San Francisco**
- San Francisco
- **San Joaquin**
- Lodi
- Manteca
- Stockton
- Tracy
- Unincorp. County
- **San Luis Obispo**
- Arroyo Grande
- Atascadero
- El Paso De Robles
- Grover Beach
- Morro Bay
- San Luis Obispo
- Unincorp. County
- **San Mateo**
- Atherton
- Belmont
- Brisbane
- Burlingame
- Colma
- Daly City
- East Palo Alto
- Foster City
- Half Moon Bay
- Hillsborough
- Menlo Park
- Millbrae
- Pacifica
- Portola Valley
- Redwood City
- San Bruno
- San Carlos
- San Mateo
- South San Francisco
- Woodside

- Unincorp. County
- **Santa Barbara**
- Lompoc
- Santa Barbara
- **Santa Clara**
- Campbell
- Cupertino
- Gilroy
- Los Altos
- Los Altos Hills
- Los Gatos
- Milpitas
- Monte Sereno
- Morgan Hill
- Mountain View
- Palo Alto
- San Jose
- Santa Clara
- Saratoga
- Sunnyvale
- **Santa Cruz**
- Capitola
- Santa Cruz
- Scotts Valley
- Watsonville
- Unincorp. County
- **Shasta**
- Anderson
- Redding
- Unincorp. County
- **Siskiyou**
- Mount Shasta
- Yreka
- **Solano**
- Benicia
- Dixon
- Fairfield
- Suisun City
- Vacaville
- Vallejo
- Unincorp. County
- **Sonoma**
- Cloverdale
- Cotati

- Healdsburg
- Petaluma
- Rohnert Park
- Sebastopol
- Sonoma
- Windsor
- Unincorp. County
- **Stanislaus**
- Ceres
- Hughson
- Modesto
- Newman
- Turlock
- Waterford
- **Sutter**
- Live Oak
- Yuba City
- **Tulare**
- Lindsay
- Porterville
- Tulare
- Visalia
- Unincorp. County
- **Ventura**
- Camarillo
- Fillmore
- Moorpark
- Ojai
- Oxnard
- Port Hueneme
- San Buenaventura
- Santa Paula
- Simi Valley
- Thousand Oaks
- Unincorp. County
- **Yolo**
- Davis
- West Sacramento
- Winters
- Woodland
- Unincorp. County
- **Yuba**
- Unincorp. County

\*These participating areas are part of the Western Riverside Council of Governments (WRCOG)

## Appendix E: Additional Underwriting Criteria

For properties within the City of **Chula Vista** only:

- No current involuntary liens and/or judgments for all Property Owner(s)
- Property Owner(s) must be current on all subject Property-secured debt and have no more than 1 30-day late payment in the last 36 months
- Total Maximum Assessment amount per Property cannot exceed 95% of the value of the Property when combined with other debts or obligations secured by the Property.
- No project may be financed for longer than 25 years

For properties within the unincorporated area of **Contra Costa County** only:

- Property Owner(s) must be current on their property taxes and have no late payments in the last 3 years, or since the Property Owner(s) acquired the property
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 3 years. If a bankruptcy has been released, discharged, or dismissed in the last 3 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 12 months.
- Total Maximum Assessment amount per Property cannot exceed 95% of the value of the Property when combined with other debts or obligations secured by the Property.

For properties within the City of **San Diego** only:

- No current involuntary liens and/or judgments for all Property Owner(s)
- Property Owner(s) must be current on all subject Property-secured debt and have no 30-day late payments in the last 24 months.
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 7 years.
- Total Maximum Assessment amount per Property cannot exceed 95% of the value of the Property when combined with other debts or obligations secured by the Property.

For properties within the unincorporated area of **Sacramento County** only:

- Property Owner(s) must be current on their property taxes and have no late payments in the last 3 years, or since the Property Owner(s) acquired the property
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 3 years. If a bankruptcy has been released, discharged, or dismissed in the last 3 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 12 months.
- Property Owner(s) must have at least 10% equity in the Property (mortgage-related debt is no more than 90% of the value of the Property)
- No project may be financed for longer than 25 years

For properties within **Los Angeles County** only:

- Property Owner(s) must have at least 10% equity in the Property (mortgage-related debt is no more than 90% of the value of the Property)
- No project may be financed for longer than 25 years

For properties within the **Western Riverside Council of Governments Program** (see Appendix D for participating cities in this program) only:

- No current involuntary liens and/or judgments for all Property Owner(s)
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 2 years. If a bankruptcy has been released, discharged, or dismissed in the last 2 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 24 months.
- Property Owner(s) must have at least 10% equity in the Property (mortgage-related debt is no more than 90% of the value of the Property)

### Appendix F: Program Interest Rates and Financing Terms

Note that All interest rates and fees are subject to change. Interest rates and fees for an Assessment are set at the time that Financing Documents (see Section 4.6) are issued

Term	CSCDA	WRCOG	Los Angeles County
30	8.49%	8.49%	N/A
25	8.39%	8.39%	8.39%
20	8.29%	8.29%	8.29%
15	7.99%	7.99%	7.99%
10	7.59%	7.59%	7.59%
5	6.75%	6.75%	6.75%

**AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS**

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
CALIFORNIAFIRST  
(COUNTY OF SAN DIEGO)**

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this 30 day of November, 2016, by and between the California Statewide Communities Development Authority, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

**RECITALS**

**WHEREAS**, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

**WHEREAS**, the Authority has established the CaliforniaFIRST program (the "**CaliforniaFIRST Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

**WHEREAS**, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

**WHEREAS**, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the county identified on Exhibit A (the "**County**"); and

**WHEREAS**, the Property is located within the boundaries of unincorporated land of the County, or the incorporated city or city and county, identified in Exhibit A as the "**Municipality**" (the "**Municipality**"), and the Municipality has consented to (i) owners of property within its jurisdiction participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

**WHEREAS**, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described on Exhibit A (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

### AGREEMENT

**Section 1. Purpose.** The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit A on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit A.

**Section 2. The Property.** This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

**Section 3. Agreement to Pay Assessment; Prepayment.**

(a) **Payment of Assessment.** The Property Owner hereby freely and willingly agrees to pay the assessment shown as the "Assessment Amount" on Exhibit B, representing the amounts being financed (i) for purposes of installing the Improvements, which are shown as the "Cost of Improvements" in Exhibit B, and (ii) for the purposes described in Section 3(b) (the "**Assessment**"). The Authority will not provide financing for the benefit of the Property Owner in an amount in excess of the Assessment.

Except as otherwise set forth in this Agreement, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B), except as provided in Section 3(b)(vi), and interest on the unpaid principal at the rate set forth on Exhibit B (collectively, the "**Financing Installments**"). Interest will begin to accrue on the date on which the Authority disburses money to the Property Owner, or its designee, to finance the installation of the Improvements. The interest rate is further described in Section 5(b) of this Agreement.

(b) **Financing of Upfront Costs.** In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment and shown as "Upfront Costs" on Exhibit B:

(i) **Program-Related Fees.** These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

(ii) **Lien Recording Fee.** This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

(iii) **Reserve Fund Deposit.** This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

(iv) California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds.

(v) Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

(vi) Capitalized Interest. The Financing Installments and related Administrative Expenses may be billed either on or (to the extent permitted by law) off the County's property tax roll at the sole discretion of the Authority. If on-roll billing is utilized, the CaliforniaFIRST Program's deadline for placing the first year's Financing Installment and related Administrative Expenses (as defined in Section 3(c)) on the County's property tax roll is shown on Exhibit B as the "Applicable Tax Roll Deadline" (the "**Applicable Tax Roll Deadline**"). If the Authority issues a bond to finance installation of the Improvements on the Property before the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year's Financing Installment and related Administrative Expenses will be billed on the Property Owner's property tax bill for the related Tax Year (as defined in Section 5(c)). However, if the Authority issues such a bond after the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, the first year's Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year's interest component.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program ("**Administrative Expenses**"). Exhibit B shows the estimated Administrative Expenses with the Financing Installments; **however, such estimated Administrative Expenses may increase if the cost of collecting the Financing Installments or administering the CaliforniaFIRST Program increase.** The Property Owner agrees to pay actual Administrative Expenses, which may be higher than such estimates. The Administrative Expenses, together with each Financing Installment and the Assessment, are referred to collectively as the "**Assessment Obligations.**"

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or any other amount equal to at least \$2,500, at any time. Prepayments will be applied to cause the discharge of the portion of the lien of the Assessment prepaid at the end of the month in which funds are received. Upon request, the Authority will provide a payoff statement and payment instructions. The prepayment amount will include (i) a credit for any applicable refund of amounts financed for the reserve fund deposit described in Section 3(b)(iii); (ii) a credit for any applicable refund of amounts financed to pay interest described in Section 3(b)(vi), (iii) interest, which continues to accrue on the

amount prepaid to the first bond interest payment date that is at least 65 days following the date of the prepayment, and (iv) the reasonable costs of the Authority related to the prepayment. On or prior to the June 30 next following a prepayment, the Authority will provide the Property Owner with an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to pay all amounts due under the Assessment throughout the original remaining term of this Agreement. **As a result of the updated payment schedule, the Property Owner will enjoy a lower annual installment following a prepayment, but the total amount of interest that the Property Owner pays over the term of the Assessment will be higher than if the Property Owner had continued, after the prepayment, to pay annual installments in accordance with the original payment schedule.** Due to circumstances outside the Authority's control, prepayments made after June 30 of any calendar year may result in Property Owner receiving a tax bill that does not reflect that prepayment. In these circumstances, Property Owner must pay the full tax bill and the Authority will refund overpayments to Property Owner when the Authority receives the amount overpaid from the tax collector.

(e) Absolute Obligation. The Property Owner hereby agrees that none of the Assessment Obligations will be subject to reduction, offset or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.

**Section 4. Collection of Assessment; Lien.** The Assessment Obligations, and the interest and penalties thereon imposed by law as a result of a delinquency in the payment of any Financing Installment and Administrative Expenses, shall constitute a lien against the Property until they are paid and shall be collected and have the lien priority set forth in Chapter 29.

The Property Owner acknowledges that if any Financing Installment and related Administrative Expenses are not paid when due, the Authority has the right to have the delinquent installment, associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installment, associated penalties and interest, and all costs of suit, including attorneys' fees.

The Property Owner acknowledges that if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Financing Installments and related Administrative Expenses under specified circumstances. Such a covenant would typically provide that no later than a specific date in each year, the Authority will determine whether the Property is delinquent in the payment of Financing Installments and related Administrative Expenses and, if so, will notify its legal counsel ("**Authority Counsel**") of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bond owner(s).

**Section 5. Financing of the Improvements.**

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the CaliforniaFIRST Program, subject to the Property

Owner's compliance with the conditions for such financing established by the Authority. The Property Owner hereby acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(b) Financing Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements and other purposes described in Section 3(b). The interest rate used to calculate the interest component of the Financing Installments, as identified on Exhibit B, reflects the interest cost of the bonds. If the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule that provides for annual installments that are less than those set forth in the attached Exhibit B. The Property Owner hereby represents to the Authority that the cost of the Improvements as shown in a final invoice provided to the Authority by the Property Owner does not include any costs of constructing the Improvements for which the Property Owner will receive credits, incentives or rebates.

In the event the actual cost of acquisition, construction or installation of the Improvements exceeds the portion of the Assessment expected in this Agreement to be used to finance acquisition, construction and installation of the Improvements, then the Property Owner agrees to pay the additional costs and to complete acquisition, construction or installation of the Improvements.

(c) Initial Tax Year. The Financing Installments and related Administrative Expenses will be placed on the County property tax roll each "Tax Year" (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year in which the Financing Installments and related Administrative Expenses are placed on the Property Owner's property tax bill prior to the Applicable Tax Roll Deadline for a Tax Year (the "Initial Tax Year on Roll"). The estimated Initial Tax Year on Roll is identified on Exhibit B.

**Section 6. Term; Agreement Runs with the Land; Subdivision.** (a) If the Authority has not received a completion certificate for the Improvements within 150 days of the date hereof, this Agreement shall automatically expire. The date of such expiration is shown as the "Expiration Date" on Exhibit B. Except as otherwise set forth in this Agreement, this Agreement shall also expire upon the final payment or prepayment of the Assessment Obligations. The Authority will notify the Property Owner in writing (at the address specified in Exhibit A) when the lien of the Assessment Obligations has been removed from the property.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment Obligations remain unpaid, the Assessment Obligations will be assigned to the newly created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment Obligations will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment Obligations should be allocated in an alternate manner.

**Section 7. Recordation of Documents.** The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property, including but not limited to the Notice of Assessment and the Payment of Contractual Assessment Required.

**Section 8. Notice.** To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property (including the purchasers of any subdivisions of the Property) of the obligation to pay the Assessment Obligations pursuant to this Agreement.

**Section 9. Waivers, Acknowledgment and Agreement.** Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner acknowledges its right to cancel this transaction within three (3) business days from the date of its executing this Agreement.

The Property Owner hereby waives its right to repeal the Assessment Obligations by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the CaliforniaFIRST Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment Obligations regardless of whether the Improvements are properly installed, operated or maintained as expected.

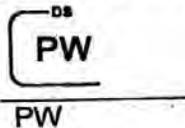
The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that any bond purchaser, the Authority and the city and county in which the Property is located have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases any bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority and the city and county in which the Property is located from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority or the city and county in which the Property is located.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials:

 PW

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

**Section 10. Indemnification.** The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination or expiration of this Agreement.

**Section 11. Right to Inspect Property.** The Property Owner hereby grants the

Authority and its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

**Section 12. Carbon Credits.** The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

**Section 13. CaliforniaFIRST Application.** The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

**Section 14. Amendment.** Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

**Section 15. Binding Effect; Assignment.** This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

**Section 16. Exhibits.** The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

**Section 17. Severability.** If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

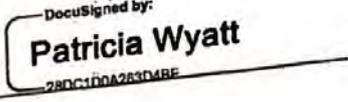
**Section 18. Corrective Instruments.** The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

**Section 19. Governing Law; Venue.** This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.



The following are the authorized signatories of the Property Owner:

Name: Patricia Wyatt

By:  DocuSigned by:  
Patricia Wyatt  
28DC100A263D4BE

Its: Authorized Signatory

Date: 11/30/2016 | 13:43 PST

**EXHIBIT A**  
**Description of the Property and Improvements**

Description of Property

Application ID: CF-00059625  
 Property Owner 1 Name: Patricia Wyatt  
 Property Address: 931 Arriba Avenida, Imperial Beach, CA 91932  
 County: San Diego  
 Municipality: IMPERIAL BEACH  
 APN: 632-390-54-00  
 Property Legal Description: A PARCEL OF LAND LOCATED IN THE STATE OF CA, COUNTY OF SAN DIEGO, WITH A SITUS ADDRESS OF 931 ARRIBA AVENIDA, IMPERIAL BEACH CA 91932-3409 C013 CURRENTLY OWNED BY WYATT PATRICIA HAVING A TAX ASSESSOR NUMBER OF 632-390-54-00 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS LOT 12 TR 7972 AND DESCRIBED IN DOCUMENT NUMBER 679219 DATED 08/31/2006 AND RECORDED 09/25/2006 .

Description of Improvements

Improvements owned by Property Owner(s)       Improvements owned by Third Party

**Solar Panels - With Monitoring**

---

**Minimum Criteria:**

1. Product must be on California Solar Initiative Eligible Products list. 2. System must be grid connected unless the property is not currently connected to the grid. System does not need to be interconnected at time of funding. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding. 4. To qualify for a 30-year term, the system must monitor performance.

**Quantity:**

23

**Manufacturer:**

Solar World

**Model:**

SW 290 Mono

**Is the product on the California Solar Initiative Eligible Product List?:**

Yes

**Watts:**

290

**Solar Inverters**

---

**Minimum Criteria:**

1. Product must be on California Solar Initiative Eligible Products list. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.

**Quantity:**

2.0

**Manufacturer:**  
SMA

**Model:**  
SB6000TL-US

**Is the product on the California Solar Initiative Eligible Product List?:**  
Yes

## EXHIBIT B

**Assessment Amount, Financing Installments, Estimated Administrative Expenses\*, and Assessment Terms**

**Assessment Amount: \$36,260.33**

**Financing Installments and Estimated Administrative Expenses\***

Tax Year	Financing Installments		Estimated Administrative Expenses (c)*	Total (a) + (b) + (c)*
	Principal (a)	Interest (b)		
2017-2018	\$292.46	\$3,078.50	\$18.00	\$3,388.96
2018-2019	\$317.28	\$3,053.68	\$18.00	\$3,388.96
2019-2020	\$344.22	\$3,026.74	\$18.00	\$3,388.96
2020-2021	\$373.44	\$2,997.52	\$18.00	\$3,388.96
2021-2022	\$405.16	\$2,965.80	\$18.00	\$3,388.96
2022-2023	\$439.56	\$2,931.40	\$18.00	\$3,388.96
2023-2024	\$476.88	\$2,894.08	\$18.00	\$3,388.96
2024-2025	\$517.36	\$2,853.60	\$18.00	\$3,388.96
2025-2026	\$561.28	\$2,809.68	\$18.00	\$3,388.96
2026-2027	\$608.94	\$2,762.02	\$18.00	\$3,388.96
2027-2028	\$660.64	\$2,710.32	\$18.00	\$3,388.96
2028-2029	\$716.72	\$2,654.24	\$18.00	\$3,388.96
2029-2030	\$777.58	\$2,593.38	\$18.00	\$3,388.96
2030-2031	\$843.58	\$2,527.38	\$18.00	\$3,388.96
2031-2032	\$915.20	\$2,455.76	\$18.00	\$3,388.96
2032-2033	\$992.90	\$2,378.06	\$18.00	\$3,388.96
2033-2034	\$1,077.20	\$2,293.76	\$18.00	\$3,388.96
2034-2035	\$1,168.66	\$2,202.30	\$18.00	\$3,388.96
2035-2036	\$1,267.88	\$2,103.08	\$18.00	\$3,388.96
2036-2037	\$1,375.52	\$1,995.44	\$18.00	\$3,388.96
2037-2038	\$1,492.30	\$1,878.66	\$18.00	\$3,388.96
2038-2039	\$1,619.00	\$1,751.96	\$18.00	\$3,388.96
2039-2040	\$1,756.46	\$1,614.50	\$18.00	\$3,388.96
2040-2041	\$1,905.58	\$1,465.38	\$18.00	\$3,388.96
2041-2042	\$2,067.36	\$1,303.60	\$18.00	\$3,388.96
2042-2043	\$2,242.88	\$1,128.08	\$18.00	\$3,388.96
2043-2044	\$2,433.30	\$937.66	\$18.00	\$3,388.96
2044-2045	\$2,639.88	\$731.08	\$18.00	\$3,388.96
2045-2046	\$2,864.02	\$506.94	\$18.00	\$3,388.96
2046-2047	\$3,107.09	\$263.80	\$18.00	\$3,388.89
<b>Grand Total Assessment Obligations*</b>				<b>\$101,668.73</b>

\* Estimated Administrative Expenses may increase as provided in Section 3(c). Effective as of November 12, 2014, notwithstanding anything to the contrary contained in the Assessment Contract to which this Exhibit B is attached, prepayments of the Assessment will not be subject to any prepayment premium, and Section 3(d) shall be read without giving effect to clause (iii) thereof.

**Assessment Terms:**

The schedule of the Financing Installments is based on the following assumptions:

Cost of Improvements	<b>\$32,000.00</b>
Upfront Costs	
<ul style="list-style-type: none"> <li>• Program-Related Fees pursuant to Section 3(b)(i) <b>\$2,048,00</b></li> <li>• Lien Recording Fee pursuant to Section 3(b)(ii) <b>\$90.00</b></li> <li>• Reserve Fund Deposit pursuant to Section 3(b)(iii) <b>\$90.65</b></li> <li>• CAEATFA PACE Loss Reserve Program Fee pursuant to Section 3(b)(iv) <b>\$0.00</b></li> <li>• Foreclosure Expense Reserve Account Deposit pursuant to Section 3(b)(v) <b>\$5.00</b></li> <li>• Capitalized Interest pursuant to Section 3(b)(vi) <b>\$2,026.68</b></li> </ul>	
Applicable Tax Roll Deadline	<b>June 29, 2017. The Completion Certificate must be received seven business days prior.</b>
Initial Tax Year on Roll	<b>2017-2018</b>
Interest rate used to calculate the interest component of the Financing Installments	<b>8.49%</b>
Annual Percentage Rate <sup>^</sup>	<b>9.28%</b>
Expiration Date	<b>March 30, 2017</b>
Term of Assessment Obligations	<b>30 years</b>

<sup>^</sup>The Annual Percentage Rate is interest and certain other costs over the term of the Assessment Obligations expressed as a rate. This is not your interest rate.

**EXHIBIT 2****LEGAL DESCRIPTION OF PROPERTY**

LOT 12 OF REAM VIEW, IN THE CITY OF IMPERIAL BEACH, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 7972, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 27, 1974.

APN: 632-390-54-00

# Contractor Participation Requirements

## Introduction

Renew Financial has revolutionized the energy efficiency and renewable energy field with our arsenal of financing options that make home and business upgrades easy and affordable. We are dedicated to growing your business through smart financing and technology tools. This Agreement replaces and supersedes any prior Contractor Participation Agreement by and between you and Renew Financial.

This Agreement (1) outlines the requirements you must satisfy in order to be approved and participate in Renew Financial's financing programs (each approved contractor, a "**Participating Contractor**") and (2) establishes the obligations with which you must comply to receive funding from Renew Financial's financing products further described on Exhibit A (each, a "**Program**").

### 1. **Contractor Eligibility Requirements.** To become a Participating Contractor, you must:

- A. Contractor and Business Licenses – Have all required contractor and business licenses, be in good standing with any required government agencies, and authorized to conduct business in the jurisdictions in which you operate;
- B. Insurance Requirements – Meet each applicable licensing board's bonding and workers' compensation insurance requirements and maintain general liability insurance in an amount equal to the greater of \$500,000 or that coverage required under any program offered by Renew Financial under which you are operating, with such coverage provided by a carrier that is reasonably acceptable to us; If requested, provide us with a certificate of insurance evidencing such insurance coverage and renewals thereof;
- C. Time in Business – Provide evidence that you have operated the business for a minimum of three years, installing the equipment, products or materials indicated on their contractor's license or provide evidence of equivalent experience;
- D. Form W-9 – Sign and submit an IRS form W-9 "Request for Taxpayer Identification Number & Certification;"
- E. Better Business Bureau (BBB) Rating – Have a satisfactory BBB rating of "B" or better (if you are not rated on BBB, RF may consider other online reputation sites to determine whether you have an overall reputation for a high level of service and workmanship);
- F. Training – Complete a product-specific training (either in-person or online) within 30 days of preliminary approval of this agreement (Note: any delay in completing product-specific training within 30 days could result in you becoming ineligible to offer the Program);
- G. Branch Locations – Provide a list of cities in which you have branch locations and complete contact information for at least one branch location for each state served, including address, phone number, fax number, email and branch manager name; and
- H. Credit Approval – Have satisfactory company and, if required by RF at its sole discretion, personal credit histories for company principals.

### 2. **Participating Contractor Obligations.** To remain eligible for funding from Renew Financial Programs, you must:

- A. Control and Permits – Be solely responsible for design, engineering, equipment procurement, job-site supervision, provision of qualified and licensed labor, materials, equipment, tools, construction equipment and machinery, utilities, transportation and procurement of all permits or other government authorizations required for the applicable home improvement;
- B. Qualification Support – Upon request, submit such information reasonably requested by Renew Financial to confirm continual compliance with Eligibility Requirements, which may include, among other things, 1) your financial statements; 2) three trade references; 3) copies of any license(s) you are required by law to maintain; and 4) copies of Liability and Workmen's Compensation Insurance Policies.
- C. Licenses – Retain all required licenses to conduct its business and to perform its obligations under this Agreement and any consumer agreement;
- D. Employee Qualifications – Have sales and installation employees that are duly qualified, registered and licensed, and have received training for their respective positions commensurate with customary industry practice;
- E. Consumer Verification – Verify the identification of prospective consumer(s) by reviewing a government-issued photo identification document prior to signing agreements;
- F. Delivery of Consumer Offers – Provide any credit offer and any other required disclosures to the applicable consumer promptly upon your receipt;
- G. Eligible Products – Install Eligible Products as required for the applicable Program as specified in the contractor portal;

- H. Approval of Custom Products – Obtain approval of proposed custom products in advance by submitting proposed project information through one of the methods described on the portal;
- I. Consumer Nonpublic Personal Information – Preserve the confidentiality of (and maintain effective information security policies and procedures to protect) any nonpublic personal information relating to consumers (“NPI”) in accordance with applicable laws (including, without limitation, the Gramm–Leach Bliley Act of 1999, title V, its implementing regulations) and prudent industry practices; promptly notify us of any unauthorized access of NPI and take appropriate action to prevent further unauthorized access; provide us with any records and information that we reasonably request in order to verify your compliance with such laws and practices;
- J. Compliance with Law – Comply with all applicable law, regulations, ordinances and court orders, whether federal state or local in its dealings with consumers, installation of projects and all other aspects of its performance under the Program;
- K. Business in English – Carry out all written and oral communication with your consumers that will use a Renew Financial Program in English;
- L. Consumer Representations and Proposals – Ensure that any representation to consumers regarding the performance of, or savings resulting from, any home improvement is (1) not misleading, (2) provided by (or reasonably related to and consistent with) those provided by the equipment manufacturers, and (3) made in accordance with good industry practice; Prevent your employees or representatives, from verbally making representations not reflected in the written materials provided to consumers; Ensure that all warranties provided to consumers are expressly set forth in the applicable home improvement contract that it enters with the consumer; Provide to us any written materials and representations provided to consumers upon our written request at any time within two years of funding;
- M. No Discrimination – Not discriminate against any Consumer on any basis prohibited by applicable law;
- N. Agreement to Program Policies for each Program – Comply with all policies and procedures outlined in each financial product handbook or other policy document we provide to you, each as amended from time to time;
- O. Warranty – Expressly set forth any and all warranties provided to consumers in your home improvement contract; limit warranties to commercially reasonable, market terms;
- P. Service Agreements – Not include extended warranties or service agreements in the amount financed;
- Q. Program Marketing / Use of Renew Financial and Program Logos – Strictly adhere to Branding Guidelines we provide for Participating Contractors who wish to reference Renew Financial or the Programs in their marketing materials;
- R. Fees and Discounts – Pay to Renew Financial any transaction fee or discounts described in the handbook or other materials for the applicable Program, as updated by Renew Financial and approved by you, from time to time;
- S. Relationship to Renew Financial and its Partners – Not represent yourself as an agent, representative, broker or employee of Renew Financial or any other program sponsor, funding agencies, investor, governmental agency, lender, association or company involved in Renew Financial’s Programs; and
- T. No Hidden Finance Charges – Charge a fair retail price for the design, procurement and installation of each home improvement that is no higher than the price that you would charge for an equivalent improvement sold for cash or sold on credit with someone other than Renew Financial.