



PROGRAM REPORT

CITIES/TOWNS OF ALAMEDA, ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA, BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CUPERTINO, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN, DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDALE, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWNSDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MILPITAS, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PETALUMA, PIEDMONT, PINOLE, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLEASANTON, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES, ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN

BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA BARBARA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFTER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUSANVILLE, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, CTEMPLE ITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TRUCKEE, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, CWITYINDSOR, AND, W INTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE, YREKA, AND YUBA THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, TULARE, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 REVISED FEBRUARY 3, 2014 - REVISED MARCH 3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7, 2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 -REVISED NOVEMBER 3, 2014 REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015, REVISED MARCH 2, 2015- REVISED APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 – REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 – REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY 2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016– REVISED JANUARY 9, 2017 – REVISED APRIL 3, 2017 – REVISED JUNE 5, 2017– REVISED JULY 10, 2017– REVISED AUGUST 7, 2017– REVISED SEPTEMBER 11, 2017– REVISED OCTOBER 2, 2017– REVISED DECEMBER 4, 2017– REVISED February 5, 2018 – REVISED APRIL 2, 2018 – REVISED JULY 2, 2018- REVISED MARCH 4,2019- REVISED APRIL 1, 2019

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This California HERO Program Report (this "Program Report") provides an overview of a property assessed clean energy ("PACE") municipal financing program called the California

HERO Program (the "California HERO Program", "HERO," "~~Twain Financial Partners~~~~SAMAS~~~~Commercial~~", "Greenworks", or "Program") for cities and counties that elect to participate in the California HERO Program.

A Residential Program Handbook and a Commercial Program Handbooks (collectively "Handbooks") are incorporated herein by reference into this Program Report and supplement and provide further details on the Program.

OVERVIEW STATEMENT FOR PROGRAM REPORT

It is the intent of the Program Report to comply with all applicable laws and regulations of the State of California (the "State") and federal government. To the extent this Program Report contains language which is contrary to existing State or federal laws and regulations, the Program shall conform to any such laws and regulations.

PURPOSE OF THE CALIFORNIA HERO PROGRAM

The Western Riverside Council of Governments ("WRCOG" or "Agent") is making the California HERO Program available to every city and county in California to encourage installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure for residential and commercial property owners. The Agent has partnered with Renovate America for residential and ~~Twain Financial Partners~~~~SAMAS~~~~Capital~~ and Greenworks LLC for commercial to make HERO available throughout the State.

The California HERO Program is an economic development program available at no cost to participating cities and counties. HERO finances improvements which decrease energy, create clean renewable energy, or decrease water consumption and increase seismic strengthening. In addition to these direct benefits, HERO helps create local jobs, save money, increase property values and lower greenhouse gas emissions.

HERO first launched its residential program in western Riverside County in December 2011 and has received several awards across the state. The commercial Program launched in December 2012.



Southern California Association of Governments
2012 President's Award for Excellence (Highest Honor)
<http://www.compassblueprint.org/toolbox/videos/12awards/wrcog>



U.S. Green Building Council
2012 Best Residential Partnership Program in California
<http://www.usgbc.org/ShowFile.aspx?DocumentID=18852>



Urban Land Institute
2012 Best of the Best

HERO FINANCING

In July, 2008, the California Legislature approved Assembly Bill 811 amending Chapter 29 of the Improvement Act of 1911 (Streets and Highways Code Section 5898.12 and following) ("Chapter 29"), authorizing cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners. Assembly Bill 474 was subsequently passed in October 2009 to further amend Chapter 29 to add water efficiency improvements to the list of eligible improvements. Finally, SB 1340 was enacted in 2010 to amend Chapter 29 to authorize the installation of electric vehicle charging infrastructure.

Under the California HERO Program, a contractual assessment is entered into between the property owner and the Agent. Participation by a property owner in such a contractual assessment is 100% voluntary. The contractual assessment is memorialized in a contract between the participating property owner and WRCOG (an "Assessment Contract"). The separate forms of Assessment Contract for Residential properties, i.e., a property developed for a single family home or fewer than three (3) residential dwelling units, or Commercial properties, i.e., all non-residential properties, including apartment buildings with four (4) units or more, are set forth in substantially the forms attached to this Program Report as Appendix E. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements ("Eligible Products"), the costs to pay for the issuance of the bonds that will finance the Program, and the costs to administer the Program. Like most assessments, the amounts are billed and collected on the County property tax bill. If the property is sold, the obligation to make the remaining payments on the assessment may remain on the property or may be required to be paid off when the primary mortgage is refinanced or when the property is sold. Additionally, if a property owner fails to pay the annual contractual assessment installments, the Agent is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year. This process is disclosed to the property owner in the applicable Assessment Contract.

PURPOSE OF THE PROGRAM REPORT

This Program Report is prepared pursuant to Sections 5898.22 and 5898.23 of the California Streets and Highways Code in connection with the establishment of the California HERO Program. This Program Report is supplemented by separate handbooks prepared for the residential and the commercial programs (each, a “Handbook”) which are incorporated in this Program Report by reference. This is the document, together with the Handbooks, that establish the parameters of the Program and the requirements for property owner participation in the California HERO Program and fulfills the requirements of Sections 5898.22 and 5898.23. The California HERO Program is offered to property owners in participating Cities and Counties.

Cities and the County can make HERO, ~~Twain Financial Partners~~~~SAMAS Commercial~~, and Greenworks available to their constituents by adopting a resolution and entering into an amendment to the WRCOG joint exercise of powers agreement (the “JPA Amendment”) pursuant to which such City or County becomes an Associate Member of WRGOG authorizing the Agent to offer the California HERO Program within the respective boundaries of such Cities and Counties. The Associate Members within which the California HERO Program may be implemented are set forth in Exhibit “B” hereto which delineates the boundaries of the territory within which voluntary contractual assessments may be offered pursuant to the California HERO Program.

RESIDENTIAL AND COMMERCIAL PROGRAM REQUIREMENTS

This section identifies the California HERO Program requirements relating to improvements made on residential and commercial properties.

ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

In order for properties to be eligible to participate in the California HERO Program, the applicant must meet the eligibility requirements listed below. The Handbooks provides additional detail on each criteria.

- a. Applicant. Applicant(s) must be the property owner(s) of record.
- b. Address. The applicant’s property must be located within the boundaries of the California HERO Program. If a property is located in a city, the city must adopt a resolution and enter into the JPA Amendment authorizing the Agent to offer the California HERO Program within its boundaries. If a property is located within the unincorporated territory of a County, the County must adopt a resolution and enter into the JPA Amendment authorizing the Agent to offer the Program within its boundaries. A map showing the areas within which the California HERO Program may be offered is attached hereto as Appendix B.
- c. Property Taxes. The property owners must be current on their property taxes within the time period specified in the applicable Handbook.

- d. Involuntary Liens. The property must not be subject to involuntary liens, judgments or defaults or judgments in excess of the amount identified in the applicable Handbook.
- e. Mortgage Debt. The mortgage debt on the property must not exceed that certain percentage of the value of the property as set forth in the applicable Handbook.
- f. Annual Property Taxes. The total annual property tax and assessments, including the contractual assessment, on the property must not exceed 5% of the property's market value, as determined at the time of approval of the Assessment Contract.
- g. Bankruptcy. The property owner must not have declared bankruptcy within the time period specified in the applicable Handbook.
- h. New Commercial Construction. Commercial properties which are the site of new construction are eligible properties so long as they meeting the criteria set forth in the section entitled "Eligible Products, Contractors and Costs" for new constructions.

ELIGIBLE PRODUCTS, CONTRACTORS AND COSTS

Eligible Products

Property owners are responsible for installation, operation, and maintenance of the Eligible Products installed on their property. Property owners must address performance and other system-related issues directly with the contractor installing the Eligible Products according to the terms of the contract between the property owner and the contractor. The California HERO Program is a financing program only. Neither the Agent or the City or the County in which the property is located, nor their employees or agents are responsible for the Eligible Products, their installation or their performance.

The California HERO Program affords property owners the opportunity to take advantage of a wide range of eligible renewable energy, energy-saving, and water conservation/efficiency products that are included among the Eligible Products, consistent with the following provisions:

- a. The California HERO Program is intended principally to encourage the adoption of renewable energy, energy efficiency and water efficiency measures.
- b. The California HERO Program provides financing only for Eligible Products that are permanently affixed to real property.
- c. The California HERO Program provides financing only for Eligible Products specified in Appendix A of the report. The list of Eligible Products will be updated from time to time and published in the Handbooks. Broadly, these include:
 - a. Water Conservation/Efficiency Products
 - b. Energy Efficiency Products
 - c. Renewable Energy Systems
 - d. Electric vehicle charging infrastructure
- d. Custom Products

- d. The property owner must ensure that any and all permits and inspections required by the jurisdiction within which such property is located for the installation of the Eligible Products are obtained.
- e. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency, and renewable energy improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.
- f. For new construction commercial projects, Eligible Products must exceed the minimum energy efficiency specifications of EnergyStar set forth in California Title 24 and Title 20, and WaterSense standards, or other new standards or other new standards as may be appropriate and as agreed upon by WRCOG. Any Solar PV system must be eligible for CSI or an equivalent utility rebate program unless the property is not connected to the electricity grid or such utility rebate program is not available. 100% of the cost of any individual Eligible Products in the construction of a new building that exceeds the minimum specifications is eligible for financing. Renewable energy systems are eligible in new construction projects, however any Solar PV system must be eligible for CSI or an equivalent utility rebate program unless the property is not connected to the electricity grid or such utility rebate program is not available. New construction projects specifically will require additional supporting documentation including: building plans, equipment cut sheets, and code compliance certificates as required by the Program Administrator.

Contractors

The cost of installation of Eligible Products shall be eligible to be financed under the California HERO Program only if such installation is completed by a contractor that is registered with the Program or by the property owner if self-installing such Eligible Products. A list of contractors that are registered with the Program shall also be located on the Program website. Registration of a contractor with the Program is neither a recommendation of such contractor nor a guaranty of or acceptance of responsibility for work of such contractor by the Agent, Renovate America, ~~Twain Financial Partners~~~~Samas Capital~~, Greenworks LLC, or the City or County in which the property upon which the Eligible Products are installed is located or the officers, employees or agents of such entities. Neither the Agent, Renovate America, ~~Twain Financial Partners~~~~Samas Capital~~, Greenworks LLC or the City or County in which the property upon which the Eligible Products are installed is located, their officers, employees nor agents any have responsibility whatsoever for the selection by a property owner of a registered contractor or the work performed by such registered contractor.

Improvement Costs

Eligible costs of the improvements include the cost of equipment and installation of such equipment. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

Property owners who elect to engage in broader projects – such as home or business remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with Eligible Products. Repairs and/or new construction do not qualify except to the extent that the construction is required for the specific approved Eligible Products. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products, including the pricing of Eligible Products, and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited as set forth in the applicable Handbook.

Administrative Costs/Fees

The Program will cover all or a portion of its costs of establishing the Program; processing, reviewing and approving a property owner's application; processing the Assessment Contract and other related financing and contract documents and issuing the bonds that will finance the Program through an expense component to be added to the amount of the financing request as set forth in the applicable Handbook. In addition, there may be other costs that are not covered in the expense component and will be borne by the property owners as set forth in the applicable Handbook. These costs may include:

Application Fee. An application fee may be required. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated.

Title and Recording Costs. Title and recording costs, including title insurance, where required, may be paid by the property owner.

Permitting Costs. Property owners are required to verify whether or not a permit and/or inspections are required by the jurisdiction in which such owner's property is located. Any such permit and/or inspection costs will be paid by the property owner and are an eligible cost to include in the financing.

Ongoing Administration Costs. Annual assessment administration, collection, County treasurer- tax collector and auditor-controller and trustee costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for the County or region.

Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm that approved Eligible Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

Multiple Disbursement Fees. The Program may offer multiple disbursements for assessments if feasible. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee per partial disbursement as set forth in the applicable Handbook; provided, however, that such fee may not exceed the actual cost of providing such service.

Capitalized Interest. Because each County has established a deadline for placing the contractual assessments on such County's property tax bill, the principal component of the contractual assessment may also include an amount equal to the first tax year's contractual assessment installments if the deadline cannot be met.

Deposit to a Debt Service Reserve Fund. The Agent or project investors may require property owners to fund a deposit to a debt service reserve fund as set forth in the applicable Handbook. The reserve fund would be used to pay debt service on bonds issued to finance the installation of Eligible Products in the event of contractual assessment installment delinquencies.

As required pursuant to Section 5898.22 of Chapter 29, the Agent has met and consulted with the staff of the Counties of the Alameda, Contra Costa, El Dorado, Fresno, Imperial, Kern, Los Angeles, Madera, Merced, Mono, Monterey, Napa, Orange, Riverside, Sacramento, San Diego, San Francisco, San Mateo, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, and Yolo Auditor's office concerning the additional fees, if any, that will be charged to the Agent for incorporating the proposed assessment installments into the assessments of the general taxes on real property. The payment of such fees shall be included as a part of ongoing administration costs which will be added each year to the annual assessment on property tax bills.

APPEAL PROCESS

The Program allows for property owners to go through an appeal process if their application is denied or if the property owner or property is deemed ineligible to participate in the Program. The process is set forth in the applicable Handbook.

TRACKS FOR PARTICIPATION

There are four categories of improvements under which property owners may participate in this Program. Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable. Efficiency standards will "ratchet-up" with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by WRCOG Executive Committee. A complete list of Eligible Products can be found in Appendix A.

WATER CONSERVATION/EFFICIENCY

Water Conservation/Efficiency covers a wide range of water conserving fixtures, such as low flow toilets, low flow shower heads, and irrigation controllers.

ENERGY EFFICIENCY

Energy Efficiency covers a wide range of energy efficiency fixtures such as windows and doors, attic insulation, and HVAC equipment that are EnergyStar rated. Most Eligible Products in this category must meet specified minimum efficiencies.

RENEWABLE ENERGY

Solar Photovoltaic or Solar Thermal Systems provide for solar energy generation and solar hot water systems, respectively. Small wind turbines, fuel cell systems or geothermal systems may also be eligible under this category.

CUSTOM PROJECTS

The development of technologies is encouraged by the Program as a means of diversifying the region's energy and water sources. Custom Projects will be evaluated and provided funding, if appropriate, for either innovative projects or for more complex, larger projects that require additional review.

PROGRAM PARAMETERS

MINIMUM FINANCING AMOUNT AND DURATION OF ASSESSMENT

Assessment Contracts are available for varying terms as set forth in the applicable Handbook.

Minimum and maximum financing amounts are set forth in the applicable Handbook.

MAXIMUM PORTFOLIO

The maximum aggregate dollar amount of contractual assessments initially authorized under the California HERO Program is \$2 billion.

ASSESSMENT INTEREST RATE

Residential Properties: The interest rate for a contractual assessment on a residential property is set at the time that the Assessment Contract is delivered to the property owner. An estimated, current rate will always be available on the Program website and any variations from that estimated rate will be based solely on market fluctuations.

Commercial Properties: The interest rate for a contractual assessment on a commercial property is set at the time the Assessment Contract is entered into.

The Program interest rate(s) will be set with the intention of creating a self-sustaining Program at rates that are competitively priced to compare to financing options available through banking or other financial institutions, balanced with the ability to remarket the bonds issued to finance the installation of Eligible Products on participating properties and encourage the future liquidity of the Program.

PROPERTY ASSESSMENT LIEN

All property owners must sign, and return the Assessment Contract within the time period specified in the notice of approval of a property owner's application. Upon completion of the project and execution of the Assessment Contract, the Agent will place a lien for the full amount of the contractual assessment on the property that secures such assessment. If the lien is recorded before the first business day in July, the assessment installment will appear on the next tax bill. For liens recorded after the first business day of July, the assessment installment will not appear on the tax bill until the following tax year, but interest will accrue on the outstanding balance. A direct bill and/or additional tax bill or other method of payment (including capitalized interest) may be required, as determined by the Program, during the first tax year.

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the Treasurer-Tax Collector of the County in which such owner's property is located, and therefore delinquency information will generally be available from such the Treasurer-Tax Collector's office. In order to attract financing, the Agent will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance.

THE FINANCIAL STRATEGIES

The Program includes the following financial strategies.

Strategy One: The Program will, at launch, utilize Renovate America to fund installations of Eligible Products for Residential properties. Renovate America will provide a revolving credit line to finance the installation of Eligible Products for such Residential properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and in the Residential Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Renovate America one or more municipal bonds secured by the contractual assessments payable by the Residential properties to be improved.

Strategy Two: The Program will, at launch, utilize the ~~Samas Capital~~ Twain Financial Partners to fund installations of Eligible Products for Commercial properties, under ~~Twain~~ SAMAS Commercial. ~~Twain Financial Partners~~ Samas Capital will provide a revolving credit line to finance the installation of Eligible Products to Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and the Commercial Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to ~~Twain Financial~~ Samas Capital ~~one~~ Partners one or more municipal bonds secured by the contractual assessments payable by the Commercial properties to be improved.

Strategy Three: The Program will, at launch, utilize the Greenworks Lending, LLC to fund installations of Eligible Products for Commercial properties, under Greenworks Commercial. Greenworks will provide a revolving credit line to finance the installation of Eligible Products to Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and the Commercial Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to

Greenworks one or more municipal bonds secured by the contractual assessments payable by the Commercial properties to be improved.

Strategy Four: The Agent may establish the “Statewide PACE Financing Fund” (the “PACE Fund”) and may accept funds from any available source. Repayments will be made pursuant to Assessment Contracts between the property owners and the Agent and will be collected through the property assessment mechanism in the County property tax system in which the properties of such owners are located. The Agent will manage or cause the Trustee or other qualified third party administrator to manage the PACE Fund in one enterprise fund with multiple sub-funds.

Strategy Five: For additional financing, the Agent will continue to explore funding opportunities from a number of other potential funding sources, and combinations of sources, which may include but are not limited to additional funding from any funds under the control of the Agent, the issuance of notes, bonds, or agreements with utilities or public or private lenders, other governmental entities and quasi-governmental entities such as SCERA, CALPERS, Nationwide Retirement Solutions, funding from private entities, or any financing structure allowed by law.

GLOSSARY OF TERMS

ANNUAL FUEL UTILIZATION EFFICIENCY (AFUE): AFUE is the standard measurement of efficiency for gas and oil-fired furnaces. Given in percentages, this number tells you how much of your fuel is used to heat your home and how much fuel is wasted. The higher the AFUE rating, the greater the efficiency.

ASSEMBLY BILL 811: Approved in July 2008 by the California legislature, AB 811 amended Chapter 29 to authorize cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners.

ASSEMBLY BILL 474: Approved in October 2009 by the California legislature, AB 474 amended Chapter 29 to authorize the funding of water conservation products through a voluntary contractual assessment program.

ASSESSMENT CONTRACT: A contract entered into between a property owner or property owners to provide financing for the installation of Eligible Improvements on property of such owner or owners under the California HERO Program.

BRITISH THERMAL UNITS (BTU): The amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit.

BUILDING PERFORMANCE INSTITUTE (BPI): 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. BPI certifications include building analysts (for energy audits) as well as building envelope professionals (envelope or manufactured housing) and mechanical professionals (heating or cooling).

BUILDING PERMITS: 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 SOLAR INITIATIVE (CSI): The California Solar Initiative is part of the Go Solar California campaign and builds on 10 years of state solar rebates offered to customers in California's investor-owned utility territories: Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E). The California Solar Initiative is overseen by the California Public Utilities Commission.

COEFFICIENT OF PERFORMANCE (COP): The COP is the basic parameter used to report efficiency of refrigerant based systems.

COMMERCIAL: Commercial entities are defined as all non-residential properties and include, but are not limited to, apartment buildings with five units or more, industrial and agricultural properties.

CONTRACTOR: A person or business entity who contracts to erect buildings, or portions of buildings, or systems within buildings.

COOL ROOF: A cool roof reflects and emits the sun's heat back to the sky instead of transferring it to the building below. "Coolness" is measured by two properties, solar reflectance and thermal emittance. Both properties are measured from zero (0) to one (1) and the higher the value, the "cooler" the roof

COOL ROOF RATING COUNCIL (CRRC): The CRRC is an independent, non-profit organization that maintains a third-party rating system for radiative properties of roof surfacing materials.

ENERGY AUDIT: An evaluation of energy consumption, as in a home or business, to determine ways in which energy can be conserved.

ENERGY EFFICIENCY RATIO (EER): EER is a measure of how efficiently a cooling system will operate when the outdoor temperature is at a specific level (95°F). The higher the EER, the more efficient the system.

ELIGIBLE PRODUCTS: All Eligible Products as specified in the applicable Program Handbook.

ENERGYSTAR: EnergyStar is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping us all save money and protect the environment through energy efficient products and practices.

EXPECTED PERFORMANCE-BASED BUY-DOWN (EPBB): Under CSI, EPBB provides that solar systems smaller than 30kW in capacity can receive a one-time, up-front incentive based on expected performance, and calculated by equipment ratings and installation factors (geographic location, tilt and shading). EPBB payments are provided on a \$ per watt basis. Systems eligible for EPBB can choose to opt-in to the PBI system.

EVAPOTRANSPIRATION (ET): ET is a term used to describe the sum of evaporation and plant transpiration from the Earth's land surface to atmosphere.

HEAT SEASONAL PERFORMANCE FACTOR (HSPF): HSFP is the most commonly used measure of a heat pumps heating efficiency. The higher the HSPF, the more efficient the heat pump.

HOME ENERGY RATING SYSTEM (HERS): Based on the home's plans, the Home Energy Rater uses an energy efficiency software package to perform an energy analysis of the home's design. This analysis yields a projected, pre-construction HERS Index. Upon completion of the plan review, the rater will work with the builder to identify the energy efficiency Eligible Products needed to ensure the house will meet ENERGY STAR performance guidelines. The rater then conducts onsite inspections, typically including a blower door test (to test the leakiness of the house) and a duct test (to test the leakiness of the ducts). Results of these tests, along with inputs derived from the plan review, are used to generate the HERS Index score for the home.

INTERCONNECTION AGREEMENT: A legal document authorizing the flow of electricity between the facilities of two electric systems. Under the CSI Program, eligible renewable energy systems must be permanently interconnected and operating in parallel to the electrical distribution grid of the utility serving the customer's electrical load. Portable systems are not eligible. Proof of interconnection and parallel operation is required prior to receiving an incentive payment.

INVESTOR-OWNED UTILITY (IOU): For purposes of the Program, this refers to Southern California Edison Company, Pacific Gas & Electric Company and San Diego Gas & Electric Company.

KILOWATT (kW): A unit of electrical power equal to 1,000 watts, which constitutes the basic unit of electrical demand. The watt is a metric measurement of power (not energy) and is the rate (not the duration over which) electricity is used. 1,000 kW is equal to 1 megawatt (MW).

KILOWATT HOUR (kWh): The use of 1,000 watts of electricity for one full hour. Unlike kW, kWh is a measure of energy, not power, and is the unit on which the price of electrical energy is based. Electricity rates are most commonly expressed in cents per kilowatt hour.

MARKET VALUE: Highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.

MANUAL J REPORT: A report that is the accepted industry standard for the proper sizing and selection of HVAC equipment in residential applications. Manual J outlines the accurate procedure which can be used to estimate the heat loss and heat gain for conventional residential structures

MEGAWATT (MW): Unit of electrical power equal to one million watts; also equals 1,000 kW.

NET OPERATING INCOME (NOI): Net operating income is rental income of a property after operating expenses. These expenses would include all operating expenses, including maintenance, janitorial, supplies, insurance, accounting, management, etc.

PARTICIPATING JURISDICTION: A city or county that has elected to participate in the California HERO Program.

PROGRAM: The California HERO Program.

PROGRAM ADMINISTRATOR: The WRCOG Executive Director and/or his designee are designated as the Program Administrator and are authorized to enter into contractual assessments.

REAL PROPERTY: A property in the County that is subject to a real property tax.

PERFORMANCE BASED INCENTIVE (PBI): All solar systems requesting incentive payments over 30 kW must take the PBI. Any sized system can elect to take PBI. The PBI pays out an incentive, based on actual kWh production, over a period of five years. PBI payments are provided on a \$ per kilowatt-hour basis.

POWER PURCHASE AGREEMENT (PPA): PPA's are contracts between two parties, one who generates electricity for the purpose of sale (the seller) and one who agrees to purchase electricity (the buyer). Financing for the project is delineated in the contract, which also specifies relevant dates of the project coming into effect, when the project will begin commercial operation, and a termination date for which the contract may be renewed or abandoned. All sales of electricity are metered to provide both seller and buyer with the most accurate information about the amount of electricity generated and bought. Rates for electricity are agreed upon in the contract between both parties.

RENEWABLE: Electricity supplied by energy sources that are naturally and continually replenished, such as wind, solar power, geothermal, small hydropower, and various forms of biomass.

RESIDENTIAL: Single family home, fewer than four (4) residential units.

R-VALUE: R-Value is a measure of thermal resistance used in the building and construction industry, usually for insulation. The higher the R-Value, the greater the insulation qualities of the product.

SEASONAL ENERGY EFFICIENCY RATIO (SEER): SEER is most commonly used to measure the efficiency of central air conditioners and air source heat pumps. SEER measures how efficiently a cooling system will operate over an entire season. The higher the SEER, the more efficient the system.

SOLAR HEAT GAIN COEFFICIENT (SHGC): SHGC measures how well a product blocks heat by sunlight. SHGC is expressed as a number between 0 and 1. The lower the SHGC, the less solar heat is transmitted into the building.

SOLAR RATING AND CERTIFICATION CORPORATION (SRCC): The CRCC currently administers a certification, rating, and labeling program for solar collectors and a similar program for complete solar water heating systems.

TITLE 20: CCR Title 20, California regulations intended to drive down electrical energy consumption in the state, is having a noticeable impact on manufacturers, importers and retailers who produce or sell portable lamps.

TITLE 24: California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code, is a compilation of three types of building standards from three different origins:

- Building standards that have been adopted by state agencies without change from building standards contained in national model codes;
- Building standards that have been adopted and adapted from the national model code standards to meet California conditions;
- Building standards, authorized by the California legislature, that constitute extensive additions not covered by the model codes that have been adopted to address particular California concerns.

Water Audit: Water Audit is a qualitative and quantitative analysis of water consumption to identify means of reducing, reusing and recycling of water.

WATERSENSE: WaterSense is a partnership program sponsored by the U.S. Environmental Protection Agency (EPA) with the goal of protecting the future of the US's water supply. By promoting and enhancing the market for water efficient products and services, WaterSense makes every drop count by leveraging relationships with key utility, manufacturer and retail partners across the U.S.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG): A joint powers authority representing its Associate Members in establishing the California HERO Program. WRCOG is serving as Agent to facilitate funding for owners of properties in jurisdictions of its Associate Members that meet the project approval and funding criteria provided herein for participation in the California HERO Program.

Appendix A

ELIGIBLE PRODUCTS

The California HERO Program offers financing for a number of eligible equipment types, energy efficiency measures, water efficiency/conservation improvements, solar systems, and other innovative, energy-saving, water saving, and energy generation custom products for residential and commercial property owners as specified in the applicable Handbook.

Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable. Efficiency standards will “ratchet-up” with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by the Agent.

Any Solar PV system must be eligible for and participate in CSI or an equivalent utility rebate program, unless the property is not connected to the electricity grid, or such utility rebate program is not available.

Appendix B

MAP OF PROGRAM AREA (April 2, 2018)

The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial Only), Avenal, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Belmont, Belvedere, Benicia, Berkley, Bishop, Blue Lake, Blythe, Bradbury, Brawley, Brea, Brentwood, Brisbane, Buena Park, Burlingame, Calabasas (Commercial Only), Calxico, California City, Calipatria, Calistoga, Camarillo, Campbell, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chico, Chowchilla, Chula Vista, Citrus Heights, Claremont, Clayton, Cloverdale, Clovis, Coachella, Coalinga, Colma, Commerce, Concord, Corcoran, Corning, Coronado, Costa Mesa, Cotati, Covina, Crescent City, Cupertino, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Dixon, Dorris, Dos Palos, Dublin, Dunsmuir, El Cajon, El Centro, El Cerrito, El Monte, El Segundo, Elk Grove, Encinitas, Escondido, Etna, Eureka, Exeter, Fairfax, Fairfield, Farmersville, Ferndale, Fillmore, Firebaugh, Fort Bragg, Fortuna, Foster, Fountain Valley, Fowler, Fremont, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Gonzales, Grass Valley, Greenfield, Grover Beach, Gustine, Half Moon Bay, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Hillsborough, Holtville, Hughson, Huntington Beach, Huron, Imperial Beach, Imperial, Indian Wells, Indio, Industry, Inglewood, Ione, Irwindale, Isleton, Jackson, Kerman, King City, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Larkspur, Lathrop, Lawndale, Lemon Grove, Lemoore, Lindsay, Live Oak, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Loyalton, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, Marysville, McFarland, Mendota, Menlo Park, Merced, Mill Valley, Millbrae, Milpitas, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Monterey, Moorpark, Moraga, Morgan Hill, Morro Bay, Mount Shasta, Mountain View, Napa, National City, Nevada City, Newark, Newman, Newport Beach, Novato, Oakdale, Oakland, Oakley, Oceanside, Ojai, Orange Cove, Orland, Oroville, Oxnard, Pacific Grove, Pacifica, Palm Desert, Palm Springs, Palmdale, Paradise, Parlier, Paso Robles, Patterson, Petaluma, Piedmont, Pinole, Pittsburg, Placentia, Placerville, Pleasant Hill, Pleasanton, Plymouth, Point Arena, Pomona, Port Hueneme, Porterville, Portola Valley, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Redwood City, Reedley, Richmond, Ridgecrest, Rio Vista, Ripon, Riverbank, Rohnert Park, Rolling Hills, Rolling Hills Estates, Rosemead, Sacramento, Salinas, San Anselmo, San

Bruno, San Buenaventura, San Carlos, San Clemente, San Diego, San Dimas, San Fernando, San Gabriel, San Joaquin, San Jose, San Juan Bautista, San Leandro, San Luis Obispo, San

Marcos, San Marino, San Mateo, San Pablo, San Rafael, San Ramon, Sand City, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Monica, Santa Paula, Santa Rosa, Santee, Sausalito, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Shasta Lake, Sierra Madre, Simi Valley, Solana Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St.

Helena, Stanton, Stockton, Suisun City, Susanville, Sutter Creek, Taft, Tehachapi, Tehama, Temple City, Thousand Oaks, Tiburon, Torrance, Tracy, Trinidad, Truckee, Tulare, Turlock, Tustin, Ukiah, Union City, Vacaville, Vallejo, Visalia, Vista, Walnut, Walnut Creek, Wasco, Waterford, Watsonville, Weed, West Covina, West Sacramento, Westminster, Wheatland, Windsor, Winters, Woodlake, Woodland, Woodside, Yorba Linda, Yountville, Yreka, and Yuba City, And The Unincorporated Counties Of Alameda, Amador, Butte, Colusa, Contra Costa, Del

Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Kern, Kings, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Monterey, Napa, Nevada, Riverside, Sacramento, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Tehama, Tulare, Yolo, and Yuba.

Maps removed for file space

No Change Made



HERO Financing Program™ Application

P: (858) HERO-411 F: (858) 385-0379 E: info@heroprogram.com

A: 15073 Avenue of Science Suite 200
San Diego, CA 92128

The Western Riverside Council of Governments (the "Authority") HERO Program (the "Program") finances installation of renewable energy, energy or water efficiency products, or electric vehicle charging infrastructure that are permanently fixed to a property owner's real property ("Eligible Products"). Eligible Products will be financed upon the signing of an assessment contract between the Authority and the property owner ("Assessment Contract"). The Authority has retained Renovate America, Inc. ("RA") to facilitate the Program, and you will see this name throughout the Program materials. The Authority and RA are referred to collectively therein as "Program Administrator."

Property Owner Acknowledgments

In order to participate in the Program, I understand that I need to meet the qualifications listed below. By signing this Application, I acknowledge and represent to the best of my knowledge that I and any other owner(s) of the property which is the subject of this application (the "Property") meet these qualifications and I authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustees whose social security number is provided on this application.

1. Applicant(s) must be the owner(s) of record of the property;
2. Mortgage-related debt on the property must not exceed 90.00% of the value of the property;
3. Property owner(s) must be current on their property taxes and there must be no more than one late payment in the past three years;
4. Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the previous 12 months;
5. Property owner(s) must not have had any active bankruptcies within the last seven years, and the Property must not be an asset in an active bankruptcy. However, for all jurisdictions with the exception of the City of San Diego, if a bankruptcy was discharged between two and seven years prior, and the property owner(s) have not had any additional late payments more than 60 days past due in the last 24 months, the property owner may be approved; and
6. The property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the property.

I understand that to qualify for the Program that the following requirements must be met:

- a. The amount to be financed under the Program must be less than 10% of the value of the Property.
- b. The combined amount to be financed under the Program plus the mortgage related debt must not exceed 100% of the value of the Property. For properties within the City of San Diego, all mortgage related debt plus the HERO Financing amount must not exceed 95% of the value of the property.
- c. All property owners must sign all required documentation, including but not limited to the Application, the Completion Certificate and the Assessment Contract with all other required Financing Documents.
- d. Following approval, my contractor or I must call the Program to identify the Eligible Products I would like to purchase, enter into an Assessment Contract with the Authority, and receive Notification to Proceed from the Program before beginning the installation of any Eligible Products. Products which have not been approved by the Program will not be funded.
- e. Interest rates may change from the approval date to receiving the Notification to Proceed.

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 as of the date set forth opposite my signature on the Application 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 the Authority, 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 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.
3. I understand that it is my responsibility to receive, read and understand all documents comprising the Program, which, in addition to information on the Program website, include the following:
 - a. This Application;
 - b. Privacy Policy Notice;
 - c. Assessment Contract; and
 - d. Program Handbook.

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, as a pre-condition to the closing of the financing.

4. 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.
5. I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that an assessment lien will be recorded by the Authority against the Property in the office of the County Recorder of the County of upon execution of the Assessment Contract. The property tax bill (which will include the assessment payments) for the Property will increase by the amount of these assessment installment payments. The Assessment Contract will specify the amount of the assessment, the assessment installments and the interest on the assessment to be collected on the property tax bill for the Property each year during the term specified in the Assessment Contract. The assessment and the interest and any penalties thereon 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.



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A: 15073 Avenue of Science Suite 200
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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.

1. Program Disclosures and Disclaimers:

- a. **Existing Mortgage.** The Program establishes the manner by which the Authority 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 Authority.

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 Authority. 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.

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.

- b. **Interest Rate.** You will be charged a fixed interest rate on your total financed amount. Your interest rate will be set at the time your financing documents are issued. Interest rates may change from the approval date to the date the Notification to Proceed is sent.
- c. **Program Administration Fee.** At the time of closing, the Authority will charge you a one-time administration fee of 0.95% of the principal amount of the assessment on the Property to cover the costs of administering the Program. This fee will be added to the assessment amount.
- d. **Recording Fee.** At the time of closing, the Authority will pass-through the assessment recording fee of approximately \$95.00 to you to cover the costs of recording the assessment. This fee will be added to the assessment amount.
- e. **Assessment Administration Fee.** Each year, an annual assessment administrative fee will be added to the assessment lien amount on your property tax bill. Currently these costs are \$35.00 and there will be adjustments in subsequent years for cost of living increases, not to exceed \$95.00.
- f. **Interest Before First Payment:** Based on the date an assessment is recorded on your property the payment of assessment installments may not begin until the following year's property tax bill. As a result interest will be added to the assessment amount for the period between your closing date and the date of your first assessment payment. The maximum amount of interest will be listed on your Final Payment Summary, which will be provided with your financing documents.
- g. **Automated Valuation Model Disclosure.** You have the right to a copy of the automated valuation model (AVM) report used in connection with your application for credit. If you want to obtain a copy, please email or write to us at the address we have provided. We must hear from you no later than 90 days after we provide you with a notice of the action taken on your application or a notice of incompleteness, or in the case of a withdrawn application, 90 days after the withdrawal. An AVM is not an appraisal. It is a computerized property valuation system that is used to derive a real property value.
- h. **Foreclosure.** Not later than October 1 each year, the Authority shall determine whether any annual assessment installment is not paid when due and shall 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 installment in the manner provided and to the extent permitted by applicable law.
- i. **Prepayment.** You have the option to pay off your assessment amount at any time in full, or in any amount of at least \$2,500. A prepayment is calculated to include the principal amount of the assessment to be prepaid (Assessment Prepayment Amount) and interest on the Assessment Prepayment Amount to the earlier of March 2 or September 2 occurring at least 50 days following the date the prepayment is made.



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- j. **No Endorsement, Warranty or Liability.** The Authority, Renovate America, Inc., and the Program 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. The Authority, Renovate America, Inc. and the Program 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, the Authority, Renovate America, Inc. and the Program shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.
- k. **Validation.** The Program 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 reserves the right to perform independent on-site validation(s) of any Eligible Products financed by the Program even if permit inspections have already been completed. If a validation visit is required, Program staff will schedule any such on-site validation visit with the property owner, at any reasonable time and with reasonable notice. In addition, the Program reserves the right to perform online monitoring of any installed renewable energy systems' generation data, if applicable, as well the tracking of energy consumption impacts and utility usage for any installed/financed product via property utility bill data. You, by submitting this application, consent to any such onsite validations, online monitoring, and utility bill energy usage analysis. By submitting this application, you also agree to sign the authorization form to participate in utility billing energy usage analysis to measure Program impact savings and participant satisfaction.
2. **Legal Disclosures**
- a. **Equal Credit Opportunity Act (ECOA).** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against Credit Applicant(s) 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 the applicant(s) income derives from any public assistance program; or because the 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, Division of Credit Practices, Washington, D.C. 20580.
- b. **Fair Credit Reporting Act.** As part of assembling your Program application, the Authority has requested a consumer report bearing your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.
- c. **The Housing Financial Discrimination Act Of 1977.** It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:
- i. 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
 - ii. race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.
- d. **Patriot Act Disclosure.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: As part of applying to the Program, the Authority may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Authority may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.
- e. **Communications with Legal Advisers.** If you have any questions about any agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute the Program Application or enter into an Assessment Contract with the Authority without the prior consent of your existing lender(s), the Program strongly encourages 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.
- f. **Monitoring and Recording Telephone Calls.** The Program may monitor or record telephone calls for security and customer service purposes. By applying for HERO Financing, you consent to have any phone conversations with the Program recorded or monitored.

Property Owner Signature(s)

I declare that (i) I have received, read and understand the risks and characteristics of the Program described in the Property Owner Acknowledgments and Disclosures set forth in this Application and (ii) 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 (specifically the terms of any mortgage on the Property) which affects the Property or to which I am a party.

	_____	_____	_____
		Date	Date
	_____	_____	_____
		Date	Date



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FOR CONTRACTOR CALL IN ONLY

Property Address

Single Family Home

Property Type

Property Owner


Ownership Type:

Property Owner 2

First Name	M. Initial	Last Name
Social Security Number	Birth Date (mm/dd/yyyy)	

Property Owner Signature(s)

I declare that I have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver the Application, Assessment Contract, and the various documents and instruments referenced therein.

	_____	Date	_____	Date
	_____	Date	_____	Date

If you do NOT wish to receive email communications from the Program and would prefer all communications to occur through the U.S. mail instead, please contact us.

☐ Please check this box if you do NOT want to receive newsletters or other marketing materials from the Program or Renovate America, Inc.

**PROPERTIES PROGRAM
APPLICATIONS**



24. NUTRITION

DATE RECEIVED _____

PH.C. 20

PROPERTY OWNER QUALIFICATIONS:

175	180	Property Ownership and/or Trusts: we and have been current on all property debt for the past six months including no delinquent delinquent
176	181	Property Ownership and/or Trusts: we current on property lease with no more than one late payment during the past three (3) years.
177	182	Property Ownership and/or Trusts: we are not in any lien, default or judgments re: the property.
178	183	Property Ownership and/or Trusts: we and each of us is/are in the last seven (7) years and the property is not an used in a bankruptcy.
179	184	Signature of Applicant: _____
180	185	Signature of Co-applicant: _____

1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
张小明	男	25	教师	北京市朝阳区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
李小红	女	30	医生	上海市浦东新区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
王小明	男	35	工程师	广东省深圳市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
赵小红	女	28	护士	浙江省杭州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
孙小明	男	32	程序员	北京市昌平区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
周小红	女	27	会计师	江苏省南京市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
吴小明	男	31	销售经理	山东省济南市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
郑小红	女	29	律师	河南省郑州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
冯小明	男	33	项目经理	四川省成都市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
陈小红	女	26	产品经理	福建省厦门市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
林小明	男	34	数据分析师	广东省广州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
周小红	女	28	市场专员	浙江省宁波市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
吴小明	男	30	运营专员	北京市丰台区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
郑小红	女	27	客服专员	江苏省苏州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
冯小明	男	32	技术支持	山东省青岛市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
陈小红	女	29	培训专员	河南省洛阳市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
林小明	男	31	销售助理	四川省绵阳市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
周小红	女	28	行政助理	福建省福州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
吴小明	男	33	人力资源	广东省佛山市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
郑小红	女	26	财务助理	浙江省温州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
冯小明	男	30	IT支持	北京市西城区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
陈小红	女	27	市场助理	江苏省无锡市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
林小明	男	32	运营助理	山东省烟台市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
周小红	女	29	客服助理	河南省开封市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
吴小明	男	31	技术支持	四川省南充市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
郑小红	女	28	培训助理	福建省漳州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
冯小明	男	33	销售助理	广东省东莞市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
陈小红	女	26	行政助理	浙江省绍兴市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
林小明	男	30	人力资源	北京市通州区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
周小红	女	27	财务助理	江苏省常州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
吴小明	男	32	IT支持	山东省淄博市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
郑小红	女	29	市场助理	河南省新乡市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
冯小明	男	31	运营助理	四川省达州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
陈小红	女	28	客服助理	福建省龙岩市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
林小明	男	33	技术支持	广东省中山市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
周小红	女	26	培训助理	浙江省金华市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
吴小明	男	30	销售助理	北京市大兴区
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
郑小红	女	27	行政助理	江苏省徐州市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
冯小明	男	32	人力资源	山东省潍坊市
1. 姓名	2. 性别	3. 年龄	4. 职业	5. 住址
陈小红	女	29		



Assets	Amount	Liabilities	Amount
Cash in Banks		Notes Payable	
Accounts Receivable		Accounts Payable	
Notes Receivable		Income Tax Payable	
Securities Owned		Other Taxes Payable	
Real Estate		Mortgages on Loans on Real Estate	
Other Assets		Other Liabilities	
Total		Total	

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
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

[illegible]

Participant	Participant Number	First Name	Phone Number	Address	City	State

[illegible]

UNIVERSITY OF CALIFORNIA, BERKELEY

Figure 4.20: (a) U^{eff} versus ϕ for $\phi \in [0, \pi]$ and $\phi \in [\pi, 2\pi]$.[illegible]



Y106	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Fire and flood insurance?
<input type="checkbox"/>	<input type="checkbox"/>	General liability insurance?
<input type="checkbox"/>	<input type="checkbox"/>	Flood insurance? Please check here if not in flood zone <input type="checkbox"/>

REQUIRED ATTACHMENTS:	
<input type="checkbox"/>	Completed and info form
<input type="checkbox"/>	Signed lender agreement for each mortgage on the property to be improved.
<input type="checkbox"/>	12 month payment history for each mortgage on the property to be improved (second history point our specified, on mortgage voluntarily).
<input type="checkbox"/>	Credit and Loss Statement and Tax Returns for past two years.
<input type="checkbox"/>	Proposed improvements – Contractor Bid or Consultant Agreement proposed.

[illegible]



DATE: _____

[illegible]

பேர்திருவிழா நடைபெறவில்லை

$\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$

PROPOSED BILLING INSTRUCTIONS

[illegible]



EXHIBIT B

Tell us all contractors or sub-contractors working on the proposed project:

CONTRACTOR OR SUB-CONTRACTOR	CONTRACTOR COMPANY	CONTRACTOR NAME	CONTACT INFORMATION
1. Other One / Contractor or Sub-Contractor			
2. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
3. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
4. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
5. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
6. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
7. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
8. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
9. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			
10. <i>மாண்புமிகு பொதுப்பணித் துறை</i>			

GREENWORKS ASSESSMENT CONTRACT

Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM (Greenworks Commercial PACE Program)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this day of , **20** , (the "Effective Date") by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**") and acknowledged and accepted by Greenworks Lending LLC ("Greenworks" or the "PACE Program Administrator"), in its role as the Program Administrator.

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 Energy Efficiency and Water Conservation Program for Western Riverside County (the "**WRCOG Program**") and the California HERO Program (the "**California Program**," collectively with the WRCOG Program, the "**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, the purpose and method of administration of the assessments under the Program are described in the WRCOG Program Report dated June 7, 2010, as such report has been amended from time to time and the California Program Report originally adopted by the WRCOG Executive Committee on June 3, 2013, as such report has been and may be amended from time to time (collectively, the "**Program Report**") prior to the Effective Date of this Contract.

WHEREAS, the Authority executed an Administration Agreement with Greenworks to provide program administrative services to owners of commercial properties participating in

the Greenworks Commercial PACE Program (the “**Greenworks Program**”) of the Program, including but not limited to reviewing and approving application materials subject to the Program Report (“**Approved Project**”), processing all disbursement requests, including accepting disbursement request forms, reviewing submitted forms and attachments, and providing for the disbursement of funds for the Authorized Improvements.

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner(s) 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 (the “**City/County**”); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the “**Participating Property Owners**”) participating in the 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, Property Owner has submitted application materials including a description of the Authorized Improvements that will be acquired, constructed on and/or installed on the Property and are to be financed pursuant to the Greenworks Program and the PACE Program Administrator has determined it is an Approved Project; 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 in Exhibit B (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 B on the Property.

Section 2. The Property. This Agreement relates to the real property identified in 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. Assessment and Lien.

(a) Pursuant to the terms of this Agreement, the Authority shall disburse funds, or cause funds to be disbursed, to or on behalf of the Property Owner in a principal amount not to exceed \$[] (the "Financed Amount"), of which \$[] shall be for the actual cost of the design, approval, acquisition, construction, financing, and/or installation of the Improvements, (the "Project Cost"), and of which \$[] shall be for Authority and PACE Program Administrator fees and expenses ("Initial Administrative Expenses"). If the actual cost of the Improvements exceeds the Project Cost, the Property Owner shall be solely responsible for the payment of such excess costs.

(b) Interest shall accrue on a simple interest basis on the Financed Amount from the Effective Date at [insert rate] per annum until all outstanding obligations are paid in full. Interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year for the actual number of days during which the principal balance of the Assessment outstanding. Property Owner acknowledges and agrees that the calculation of interest on the basis described in the immediately preceding sentence may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

(c) Property Owner agrees that upon the execution of this Agreement by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Agreement, Chapter 29 and other applicable law in an amount equal to the Financed Amount plus any administration fees, accrued interest and penalties thereon (the "Assessment"). Upon execution of this Agreement, the Authority will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "County") a notice of assessment and payment of contractual assessment required (collectively, the "Notice of Assessment") as required pursuant to Chapter 29, together with a copy of this Agreement. The recordation of the Notice of Assessment will create a lien against the Property.

(d) The execution of this Agreement by the parties constitutes the levy of the Assessment by the Authority against the Property without any further action required by the parties.

(e) The Property Owner hereby promises to pay the Assessment for a period of [] years annually, in two installments ("Installments") as permitted by the County tax collector, together with annual assessment administrative fees ("Annual Assessment Administrative Fees") as defined in paragraph (e) below, (collectively, "Assessment Installment") on the due dates set forth in Exhibit C (the "Assessment Schedule"). Owner agrees to pay each Assessment Installment by its due date in order to avoid delinquencies and related penalties.

(f) The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an Installment each year in order to pay for the costs of collecting and administering the Assessment (the "Annual Assessment Administrative Fees"). The maximum Annual Assessment Administrative Fee shall not exceed [\$] in tax year commencing on [insert year]. The Annual Assessment Administrative Fee shall thereafter be adjusted annually commencing on [insert date] of each subsequent tax year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers applicable to the County of [COUNTY]. The PACE Program Administrator shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

(g) The Assessment, together with any interest and penalties incurred thereon, shall constitute a lien upon the Property until paid. Failure to pay any Assessment Installment or any interest thereon, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, the Authority has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 8(g) below.

Section 4. Collection of Assessment; Other Remedies.

(a) The Assessment Installment shall be collected on the property tax bill pertaining to the Property. The Assessment Installment shall be payable in the same manner and at the same time as the general taxes of the County on real property are payable, and Assessment Installments shall be payable and become delinquent at the same times and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) The Assessment Installments shall commence on the due dates set forth in the Assessment Schedule (Exhibit C).

(c) The lien of the Assessment (the "Assessment Lien") shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except: (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency; (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment; (iii) easements constituting servitudes upon or burdens the Property; (iv) water rights, the record title to which is held separately from the title to the Property; and (v) restrictions of record.

(d) Property Owner acknowledges and understands that, no later than October 1st of each year, if the Property is delinquent in the payment of any Assessment Installment or any accrued interest and penalties thereon, the Property will be subject to the commencement of foreclosure proceedings. The Authority will commence, or cause to be commenced, judicial foreclosure proceedings against the Property, including collection actions preparatory to the

filing of any complaint, but will file the complaint not later than sixty (60) days following the determination that the property is delinquent in the payment of such Assessment Installments. Failure of such a complaint to be filed by such date shall not, however, invalidate any judicial foreclosure proceedings commenced after such date. The Property Owner acknowledges that the Authority shall have the delinquent Assessment Installment and its 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 Assessment Installments, 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 such bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances. Additionally, if no action is taken by the Authority and you remain delinquent on the payment of any Assessment Installment for a period of five (5) years, the County in which the Property is located may commence foreclosure proceedings.

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) The Authority hereby approves the disbursement of funds against the Financed Amount subject to the provisions of this Section. The funds will be disbursed by the PACE Program Administrator on behalf of the Authority, pursuant to the terms of this Agreement and applied by Property Owner to pay for the Improvements.

(b) Notwithstanding anything to the contrary contained herein, the PACE Program Administrator's obligation to disburse any of the Project Cost to Property Owner or their contractor ("Contractor") shall be subject to satisfaction of the following conditions precedent, in the PACE Program Administrator's sole discretion, or any such condition precedent is expressly waived in writing by the PACE Program Administrator:

i) the construction contract between the Property Owner and the Contractor,
together with all major subcontracts thereunder (collectively, the "Construction Contract") shall have been approved in all respects by the PACE Program Administrator;

ii) the Property Owner shall have provided copies of all permits required by
law to the PACE Program Administrator;

iii) the Property Owner shall have provided to the PACE Program Administrator the written consent of its existing mortgage lender to the Assessment;

iv) the PACE Program Administrator shall have received confirmation from the applicable County Recorder that the Notice of Assessment, together with a copy of this Agreement has been recorded in the relevant land records;

v) the Property Owner shall have provided to the PACE Program Administrator evidence acceptable to the PACE Program Administrator of incentive awards related to the Improvements, if applicable;

vi) Property Owner has provided the PACE Program Administrator original, executed copies of this Agreement and any related certificates.

vii) The PACE Program Administrator shall have determined that the representations of Property Owner contained in this Agreement are true and correct, and no Default (as defined in Section 14 below) shall have occurred and be continuing hereunder.

viii) No order or notice shall have been given by any governmental agency stopping construction or stating that the work or construction is in violation of any law, ordinance, code or regulation, unless such order or notice has been rescinded and a copy of such rescission has been delivered to and shall be satisfactory to the PACE Program Administrator in its sole discretion. No stop payment or mechanic's lien notice pertaining to the Products has been filed and remains in effect as of the Effective Date.

ix) the Property Owner shall have submitted to the Authority and the PACE Program Administrator a request for the disbursement in the form of the certification attached hereto as Exhibit []

x) the Property Owner shall have furnished to the PACE Program Administrator partial waivers and releases of liens (for labor, services or materials which have been performed and paid for or such lien waiver will be subject to payment) from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements in the form attached hereto as Schedule 2 to Exhibit [];

xi) the Property Owner shall have provided a list of authorized representatives on whose instructions and directions the PACE Program Administrator may rely until such time as an updated list has been provided, as set forth on Exhibit [] attached hereto; and

xii) the Property Owner has provided to the PACE Program Administrator evidence satisfactory to the PACE Program Administrator of current insurance policies on the Property and has provided evidence satisfactory to the PACE Program Administrator that such insurance shall be maintained in force during the term of the Assessment.

(c) Upon satisfaction or waiver of the conditions described in paragraph (a), above, the PACE Program Administrator will disburse funds to or on behalf of the Owner.

(d) The PACE Program Administrator's obligation to authorize the final disbursement shall be subject to the satisfaction of the following conditions precedent in the PACE Program Administrator's sole discretion:

- i) Satisfaction of all conditions set forth in this Section;
- ii) Full completion of construction of the Improvements in accordance with the Construction Contract, as evidenced through a receipt by the PACE Program Administrator of the executed Completion Certificates in the forms attached hereto as Exhibit []
- iii) If applicable, receipt by the PACE Program Administrator of the final unconditional Certificate of Occupancy for the Improvements or a conditional Certificate of Occupancy which conditions are punch-list items only;
- iv) Receipt by the PACE Program Administrator of final waivers and releases of liens from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements, substantially in the form of the waiver and release attached hereto as Exhibit []; and
- v) No stop payment or mechanic's lien notice pertaining to the Improvements has been served upon Property Owner, the PACE Program Administrator, or the Authority or recorded against the Property and which remains in effect.

(e) Amount and Frequency of Disbursements.

i) Each disbursement shall either (x) reimburse the Property Owner for costs of the Improvements already incurred by the Property Owner, or (y) be disbursed directly to the Contractor and/or suppliers retained for the Improvements, for construction costs incurred by the Property Owner in accordance with the approved budget. The Property Owner may apply any savings or under-budget line item cost in the approved budget to increase the amount of any other line item in the approved budget, subject in each instance to the PACE Program Administrator's review and approval, which approval shall not be unreasonably withheld.

ii) Disbursements shall be made upon the Property Owner's compliance with the terms hereof in such proportion of the total cost of that part of the work completed to the PACE Program Administrator's satisfaction in its sole discretion, so that at all times the undisbursed portion of the Project Cost shall be sufficient, in the PACE Program Administrator's sole discretion, to complete the Improvements (including, without limitation, to pay all non-construction costs associated with the Improvements). The PACE Program Administrator shall have the right to make the final determination in its sole discretion as to the amount of each disbursement. The PACE Program Administrator may, in its sole discretion, determine the number and frequency of each disbursement, which will not exceed one hundred percent (100%) of the cost of the

work then completed and in place less the standard retainage of five percent (5%) for all construction costs (unless a higher retainage is specified in any contract). Such retainage will be disbursed to the Property Owner at the date on which the Completion Certificate has been executed.

iii) The final disbursement will be made upon full completion of the Improvements in accordance with the Construction Contract and satisfaction of the conditions precedent set forth in Section 5 (c).

iv) No disbursement shall be made for materials not yet installed or incorporated into the Improvements, except that the PACE Program Administrator may agree, in its sole discretion, to authorize a disbursement for such materials.

v) In no event shall the amount of any disbursement exceed an amount equal to (x) the cost of the construction work in place at the Property, subject to the retainage provisions set forth in Section 5(e)(ii), plus the amount of non-construction costs paid or payable by the Property Owner pursuant to the approved budget as of the date of the requested advance, less (y) all disbursements previously disbursed.

vi) In no event shall the aggregate amount of all disbursements exceed the Project Cost.

vii) In no event shall any disbursement be made to the Property Owner from and after the date on which the final disbursement shall have been paid in accordance with Section 5 (c).

(f) Unused Proceeds. In the event Property Owner draws less than eighty-five percent (85%) of the Assessment, upon PACE Program Administrator making the final disbursement in accordance with Section 5(d) of this Agreement, the Property Owner shall pay to PACE Program Administrator an unused Assessment fee in an amount equal to % of the difference derived by subtracting (i) the total amount disbursed by PACE Program Administrator of the Assessment including such final disbursement, from (ii) the maximum principal amount of the Assessment authorized pursuant to the terms hereof. In the event Property Owner prepays the Assessment in accordance with Section 6 hereof, this Section shall only apply if Property Owner draws less than eighty-five percent (85%) of the amount equal to the difference derived by subtracting (i) the total amount Property Owner has prepaid in accordance with Section 6 hereof, from (ii) the Assessment amount.

Section 6. Prepayment of the Assessment.

The outstanding principal balance of the Financed Amount may be prepaid, in whole or in any amount of at least \$5,000, at any time upon the payment of a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to the processing fee and schedule of prepayment premiums is set forth in Exhibit hereto. In

addition, prepayment costs may also include any applicable trustee fees, bond interest (if bonds have been issued), and other related charges.

Section 7. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(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) Property Owner shall not, without the express written consent of the Authority and the PACE Program Administrator, in their sole discretion, by act or omission impair the integrity of the Property as a single, separate, subdivided and zoned lot separate apart from all other property which is owned by Property Owner, or not. Property Owner hereby acknowledges that, in the event of a subdivision of the Property is approved by the Authority and PACE Program Administrator, no subdivision of the Property subject to this Agreement shall be valid unless an amendment to this Agreement divides the Assessment between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.

Section 8. 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.

Section 9. Representations and Warranties of Property Owner. Property Owner represents and warrants to the Authority and PACE Program Administrator as follows, which representations and warranties shall be true and correct as of the date of this Agreement and at all times thereafter until the Assessment has been repaid in full:

(a) Corporate Existence; Qualification. Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of California

(b) Authorization; Enforceable Obligations.

i. Property Owner has all necessary power and authority to own the Property and to conduct its business and enter into the transactions contemplated hereby. Property

Owner has the right to enter into and perform this Agreement and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute valid and binding obligations of Property Owner, each enforceable in accordance with its respective terms.

ii. No consent or authorization of, filing with, notice to or other act by or in respect of any governmental authority (Federal, State or Local) or any other person is required to be obtained by the Property Owner in connection with (1) the financing hereunder, (2) the execution, delivery, validity or enforceability of this Agreement or any related documents, or (3) the performance of this Agreement, except, in each case, for routine consents, authorizations, filings and notices required to be made in the ordinary course of business.

iii. The Property Owner has secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in the Property Owner or the Property.

(c) No Legal Bar. The execution, delivery and performance of this Agreement or any related documents by the Property Owner, the financing hereunder and the use of the proceeds thereof will not violate any applicable law, the Property Owner's organizational documents or any material agreement of the Property Owner.

(d) Financial Statements. All financial statements delivered to the Authority and the PACE Program Administrator are true and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable to the Authority) consistently applied, fairly represent the financial condition of Property Owner as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

(e) No Litigation. There are no actions, suits, claims or proceedings pending, or to the knowledge of Property Owner threatened, against or affecting it or the Property which could materially adversely affect Property Owner, its financial condition, any of its properties (including the Property), or the construction of the Improvements or Property Owner's ability to satisfy its obligations under this Agreement.

(f) Title. Property Owner has good, marketable and insurable title to the Property subject only to real property taxes, pari passu assessment liens of record, and the permitted encumbrances approved by the Authority and the PACE Program Administrator and set forth in Exhibit G attached hereto ("Permitted Encumbrances").

(g) Compliance with Laws. Property Owner has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body (collectively, the "Permits") necessary for (a) the installation and construction of the Improvements in accordance with the

plans and specifications submitted by Property Owner; (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Property, either (i) have been obtained, are valid, are in full force and effect and have been complied with by the Property Owner in all respects; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of construction, and Property Owner will be in compliance therewith in all respects prior to the PACE Program Administrator's disbursing any of the funds. Construction and installation of the Improvements will comply with applicable zoning, use, building or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

(h) Marijuana and Environmental Matters. Property Owner does not and will not engage (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, pursuant to applicable state law, or any other federal, state or local environmental laws or regulations, and, to the best of Property Owner's knowledge, after due inquiry, neither the Property nor any other of its buildings thereon has been so used previously, except as previously disclosed in writing to and approved by the Authority and the PACE Program Administrator. There are no underground storage tanks located on the Property. There is no present and to the best of Property Owner's knowledge there has been no past, non-compliance with environmental laws, or with permits issued pursuant thereto, in connection with the Property, which has not been fully remediated in accordance with environmental laws.

(i) No Default. No Default (as defined herein) has occurred hereunder, and no event has or shall have occurred and be continuing, which, with the lapse of time or the giving of notice, or both, would constitute a Default. No foreclosure action is currently threatened or has been commenced with respect to the Property. Property Owner is not currently in default on any mortgage or deed of trust loan(s) secured by the Property.

(j) No Misrepresentation or Material Nondisclosure. Property Owner has not made and will not make to the Authority or to the PACE Program Administrator, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading. All information provided by Property Owner to the Authority or to the PACE Program Administrator in writing or in electronic form is complete, true and correct in all material respects.

(k) Insurance. Property Owner has provided to the Authority and the PACE Program Administrator satisfactory evidence of the current insurance policies on the Property and has provided evidence that such insurance shall be maintained in force during the term of the Assessment. Such policies must be issued in form and content reasonably acceptable to the Authority and the PACE Program Administrator. Required insurance hereunder includes property insurance and, where and when applicable, builder's risk or inland marine insurance and flood insurance. Property insurance shall be in an amount equal to the lesser of, as determined by the Authority and the PACE Program Administrator in their reasonable discretion: (i) the full replacement cost of the Property; (ii) the full value of the buildings located on the Property as determined by the Authority and PACE Program Administrator in their sole

discretion; (iii) or the principal amount of the Assessment divided by 0.35. Property Owner must obtain flood insurance if the Property is or is deemed to be located in a Special Flood Hazard Area as determined by the U.S. Flood Emergency Management Agency. The insurance policies shall also be subject to the following requirements:

i. Each policy must provide for ten (10) days' prior notice to the Authority and the PACE Program Administrator in the event of cancellation or nonrenewal;

ii. The PACE Program Administrator must be named as an additional insured (mortgagee/loss payee) on all insurance policies required hereunder (and in the certificate holder box list "Greenworks Lending LLC ISAOA, ATIMA"). The Property Owner hereby agrees to, upon request by the PACE Program Administrator, provide the PACE Program Administrator with updated certificates of insurance which endorse the required insurance policies and further agrees to, upon request by the PACE Program Administrator, add the PACE Program Administrator's assignees or successors in interest as loss payees and additional insureds; and

iii. Should Property Owner fail to acquire and/or maintain the required insurance policies, the Authority shall have the right, but not the obligation, to obtain such policies in amounts and limits sufficient to protect the Authority. Property Owner shall be obligated to pay the Authority for the cost of such insurance.

(l) Approval of Plans and Budgets. The plans and specifications submitted by the Property Owner to the Authority and the PACE Program Administrator and approved thereby (the "**Plans**") will be a true and accurate reflection of the Improvements (when completed) and have been approved as required by all governmental bodies or agencies having jurisdiction or will be approved prior to the first disbursement request. The budget for construction of the Improvements (the "**Budget**") submitted by the Property Owner to the Authority and the PACE Program Administrator is an accurate current estimate of all costs necessary to construct the Improvements in accordance with the Plans and the cost of construction of the Improvements on any portion thereof is not expected to exceed the cost therefor set forth in the Budget.

(m) Commercial Purpose. Property Owner will use the proceeds from the disbursements of funds for the Authorized Improvements only for the purposes specified in the Recitals to this Agreement. The primary purpose of the funds disbursed pursuant to this Agreement is for a commercial and business purpose, and said funds will not be used primarily for personal, family or household purposes.

(n) Improvements. The proposed Improvements are consistent with the purpose of the Program.

(o) Incorporation of Representations and Warranties. The request by Property Owner for a disbursement shall constitute a certification by Property Owner that the

representations and warranties contained herein are true and correct as of the date of such request.

(p) Insolvency Event. No Insolvency Event shall have occurred or is continuing with respect to the Property Owner. Property Owner is not aware of any circumstances or conditions with respect to the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien that could reasonably be expected to materially and adversely affect any of the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien. For purposes hereunder, “**Insolvency Event**” shall mean the Property Owner has (i) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding or of relating to the Property Owner or relating to all or substantially all of such Property Owner ’s property, (ii) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days of the event; (iii) admitted in writing its inability to pay its debts as they become due, (iv) filed a petition to take advantage of any applicable insolvency or reorganization statute, (v) made an assignment for the benefit of its creditors, (vi) had filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days, or (vii) or voluntarily suspended payment of its obligations.

(q) Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property or Improvements has taken place on the part of the Property Owner or any other person, including, without limitation, to the best of Property Owner ’s knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other party involved in the Property or Improvements, that would impair in any way the rights of the Authority in the Property or Improvements or that violated applicable law

(r) No Damage/Condemnation. The Property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Property or the use for which the Property was intended and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. There is no proceeding pending or, to the knowledge of the Property Owner, threatened for the total or partial condemnation of the Property.

(t) Legally Occupied. With respect to the Property lawfully occupied as of the date hereof, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

Section 10. COVENANTS OF PROPERTY OWNER.

The Property Owner covenants and agrees as follows:

(a) Completion and Maintenance of the Improvements. The Property Owner shall commence construction of the Improvements and shall diligently proceed with construction in accordance with the approved Plans and Budget in a good, substantial and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the completion date set forth in the Construction Contract. If, in the Authority's opinion, after thirty (30) days' written notice to Property Owner, the construction is not proceeding with reasonable dispatch, the Authority may (i) request that Property Owner remove and replace the general contractor with a general contractor acceptable to the Authority, the failure of which by Property Owner shall be a default under this Agreement, (ii) utilize funds and continue construction of the Improvements and such funds shall be considered disbursements of the Financed Amount, or (iii) deny any disbursements of the Financed Amount until such time as the construction resumes proceeding with reasonable dispatch.

(b) Changes to Construction Contract. There shall be no material revision to the Construction Contract, Plans or Budget without the prior written approval of the Authority and the PACE Program Administrator, whose consent shall not be unreasonably withheld. If the cost of construction of the Improvements or any portion thereof exceeds the cost therefor set forth in the approved budget, the Property Owner shall immediately deposit with the Authority the deficiency between such budgeted cost and the actual cost.

(c) Payment of the Financing. The Property Owner shall pay punctually the Assessment Installments on this Agreement on each due date according to its terms and conditions and shall pay punctually any other amounts that may become due and payable to the Authority under or pursuant to the terms of this Agreement, regardless of whether or not the Assessment Installments appear on the Property Owner's property tax bill.

(d) Payment of All Charges. The Property Owner shall pay when due all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other charges levied on or against the Property, and upon written request, submit to the Authority evidence of such payments.

(e) Compliance with Law and Agreements. In commencing and completing the Improvements, Property Owner shall comply with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.

(f) Permits, Licenses and Approvals. Property Owner shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from any governmental authority in order to commence and complete the Improvements. Property Owner, upon the request of the Authority or the PACE Program Administrator, shall

deliver within fifteen (15) days, copies of all such permits, licenses and approvals to the Authority or the PACE Program Administrator.

(g) Site Visits. Property Owner grants the Authority and the PACE Program Administrator, their agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Property Owner, for the purposes of observing the Improvements. The Authority and the PACE Program Administrator, their agents and representatives will make reasonable efforts during any site visit to avoid interfering with Property

Owner's use of the Property. Property Owner shall also allow Authority or the PACE Program Administrator to examine and copy records and other documents of Property Owner which relate to the Improvements. The Authority and the PACE Program Administrator are under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and the Authority and the PACE Program Administrator shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the Authority or the PACE Program Administrator shall be solely for the purposes of protecting the PACE Program Administrator and the Authority's rights under the Agreement.

(h) Protection against Lien Claims. The Property Owner shall promptly pay and discharge all claims for labor performed and material and services furnished in connection with construction of the Improvements, and take all other steps necessary to prevent the assertion of claims or liens either against the Property or the Improvements, other than (i) the claims and lien provided herein, (ii) all liens, encumbrances and other matters expressly set forth in Exhibit G, (iii) liens, if any, for taxes imposed by any governmental authority not yet due or delinquent, and (iv) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's sole discretion.

(i) Notice of Claims; Adverse Matters. Property Owner shall promptly notify the Authority and the PACE Program Administrator in writing of any potential Insolvency Event and all pending or threatened litigation or other matters that may materially and adversely affect the Property or Property Owner's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

(j) Damage or Destruction. Property Owner shall promptly notify the Authority and the PACE Program Administrator if the Property is damaged or destroyed by fire, casualty, injury or any other cause (each such occurrence, a "Casualty"). The PACE Program Administrator shall have no obligation to make additional disbursements upon the occurrence of a Casualty. Upon the occurrence of such Casualty, the insurance proceeds will be applied to repayment of the total outstanding principal due and owing under this Agreement plus any applicable fees, unless the Authority and the PACE Program Administrator agree in their commercially reasonable discretion to the application of the insurance proceeds to the restoration of the Improvements. In the event restoration of the Improvements is permitted, Property Owner shall immediately proceed with the restoration thereof in accordance with the Construction Contract and Plans. If, in the Authority and PACE Program Administrator's commercially reasonable judgment, said insurance proceeds are insufficient to complete the

restoration, Property Owner shall deposit with the PACE Program Administrator an amount necessary, in the Authority and PACE Program Administrator's sole judgment, to complete the restoration in accordance with the Plans and Construction Contract.

(k) Notice of Default. Property Owner shall notify in writing the Authority and the PACE Program Administrator within fifteen (15) days of any Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

(l) Changes to Ownership. Property Owner shall, prior to completing construction of the Improvements, preserve and keep in full force and effect its existence and retain title to the Property. After completion of the Improvements, Property Owner shall not transfer ownership of the Property without (a) prior written notice to the Authority and the PACE Program Administrator, and (b) execution by the purchaser of the Property of an assignment of this Agreement in the form of Exhibit X..

(m) Insurance. Property Owner shall maintain in force, and provide evidence thereof when requested by the Authority and the PACE Program Administrator, the insurance required by Section 9(k) of this Agreement throughout the term of the Assessment.

(n) Condemnation. If the Improvements or the Property or any part thereof are taken temporarily or permanently by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**"), or are subject to an imminent threat of Condemnation, the PACE Program Administrator's obligation to make further disbursements hereunder shall immediately terminate unless, in the Authority and the PACE Program Administrator's sole judgment, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If the Authority and the PACE Program Administrator so decide that the Improvements can be so restored, then the rights and obligations of the PACE Program Administrator, the Authority and the Property Owner subsequent to a taking by Condemnation or imminent threat thereof and the disbursement of any Condemnation proceeds actually paid to the Authority and undisbursed funds hereunder, shall be the same as described in the Section 10(j) hereof with regard to insurance proceeds

(o) Indemnification.

i. Without limitation of any other obligation or liability of the Property Owner or any right or remedy of the Authority contained herein, the Property Owner agrees to indemnify and hold harmless the Authority and PACE Program Administrator, as well as each of the respective directors, officers, employees, agents, subsidiaries and affiliates, and the successors and assigns of the foregoing (each, a "Person"), from and against all damages, losses, settlement payments, obligations, liabilities, claims,

suits, penalties, fines, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any such indemnified Person (except any of the foregoing to the extent it results from the gross negligence or willful misconduct of the indemnified Person) (collectively, the "Indemnified Amounts") on account of or in relation to or in any way in connection with (i) any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, or any other documents executed or delivered in connection herewith or therewith, all as the same as may be amended from time to time, or any action taken or omitted to be taken by any Person in connection with or under any of the foregoing, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement or any such other documents are ultimately consummated, (ii) any violation or alleged violation of, non-compliance with or liability under any requirements of law or regulation, (iii) ownership of, liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (iv) any taxes attributable to the execution, delivery, filing or recording of any this Agreement, or any other documents executed or delivered in connection herewith or therewith or any memorandum of any of the foregoing, (v) any lien or claim arising on or against the Property under any requirements of law or any liability asserted against any Person with respect thereto, (vi) (1) a past, present or future violation or alleged violation of any environmental laws in connection with the Property by any person or other source, whether related or unrelated to Property Owner, (2) any presence of any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated

under any environmental law ("Materials of Environmental Concern") in, on, within, above, under, near, affecting or emanating from the Property, (3) the failure to timely perform any investigation, inspection, site monitoring, containment, clean-up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release (defined below) or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of the Property of any Materials of Environmental Concern, including any action to comply with any applicable environmental laws or directives of any governmental authority with regard to any environmental Laws, (4) any past, present or future activity by any person or other source, whether related or unrelated to Property Owner in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting the Property, (5) any past, present or future actual generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of the Property (a "Release") (whether intentional or

unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting the Property by any person or other source, whether related or unrelated to Property Owner, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any lien on the Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any environmental law, or (7) any misrepresentation or failure to perform any obligations pursuant to this Agreement, or any other documents executed or delivered in connection herewith or therewith to environmental matters in any way, or (vii) Property Owner's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 10(o), that, in each case, results from any conduct, act or failure to act by the Property Owner or its affiliates or related parties or the use or intended use of the proceeds of any disbursements made pursuant to this Agreement. To the extent that the undertaking to indemnify and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Property Owner shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all liabilities set forth in the preceding sentence incurred by any Person. In the case of an investigation, litigation or other proceeding to which the indemnification in this Section 10.(o) applies, such indemnification shall be effective whether or not such investigation, litigation or proceeding is brought by Property Owner, a Person or any other person or any Person is otherwise a party thereto and whether or not any transactions contemplated by this Agreement are entered into. In any investigation, proceeding or litigation, or the preparation therefor, the Authority shall select its own counsel and, in addition to the foregoing indemnity, the Property Owner agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, the Property Owner shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense, provided that such counsel shall be reasonably satisfactory to the Authority. This section shall survive the execution, delivery, performance and repayment of this Agreement, and the extinguishment of any Assessment Lien.

ii. If for any reason the indemnification provided in this Section 10.(o) is unavailable to any Person or is insufficient to hold a Person harmless, even though such Person is entitled to indemnification under the express terms thereof, the Property Owner shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Person on the one hand and Property Owner on the other hand, the relative fault of such Person, and any other relevant equitable considerations.

iii. A Person may at any time send Property Owner a notice showing in reasonable detail the basis for and calculation of Indemnified Amounts, and Property Owner shall pay such Indemnified Amounts to such Indemnified Person within fifteen (15) days after Property Owner receives such notice. The obligations of Property Owner under this Section 10(o) shall apply to assignees and survive the termination of this Agreement.

iv. Neither the Authority nor the PACE Program Administrator shall have any

liability to the Property Owner or any other person on account of (i) the Property Owner engaging a contractor from the list of contractors submitted by the Authority or the PACE Program Administrator to the Property Owner, (ii) the services performed by the Contractor, or (iii) any neglect or failure on the part of the Contractor to perform or properly perform its services. Neither the Authority nor the PACE Program Administrator assumes any obligation of the Property Owner concerning Contractor, the quality of construction of the Improvements or the absence therefrom of defects. The authorization by the Authority of a disbursement shall not constitute the Authority's approval or acceptance of the construction theretofore completed. The Authority's inspection and approval of the budget, the construction work, the Improvements comprising the Improvements, or the workmanship and materials used therein, shall impose no liability of any kind on the Authority, the sole obligation of the Authority as the result of such inspection and approval being to authorize the disbursements if, and to the extent, required by this Agreement. Any disbursement authorized by the Authority without the Authority having received each of the items to which it is entitled under this Agreement shall not constitute breach or modification of this Agreement, nor shall any written amendment to this Agreement be required as a result thereof.

Section 11. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment 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 hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the 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 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 the Authority and the [City/County] 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 the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] 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 Authority, the [City/County] and any and all agents,

employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

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:

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Agreement.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

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

Section 14. Events of Default and Remedies

a) Remedies with respect to the nonpayment of the Assessment or other amounts payable by Property Owner hereunder are governed by the provisions of Section 4 hereof and state law.

b) The occurrence of any of the following events shall constitute a “**Default**” hereunder:

(i) Any of Property Owner’s representations, disclosures or warranties made to the Authority or the PACE Program Administrator shall have been false or misleading in any material respect as of the date when made, or the failure or delay by Property Owner to perform any of its obligations under the terms or provisions of this Agreement, other than with respect to the payment of the Assessment, the Annual Assessment Administrative Fee Annual Assessment Administrative Fees, or other amount payable by Property Owner.

(ii) An Insolvency Event occurred with respect to the Property Owner or the Property Owner becomes insolvent or unable to pay its debts as they mature and such has not been cured within thirty (30) days of the event;

(iii) There occurs any event which in the Authority’s sole discretion materially and adversely affects: (x) the ability of the Property Owner to perform any of its obligations hereunder; (y) the business or financial condition of the Property Owner; or (z) the timely repayment of the Assessment authorized by this Agreement, which Property Owner has not cured within thirty (30) days of receiving notice from the Authority of such breach;

(iv) Any encumbrance on any portion of the Property is created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the Assessment Lien;

(v) The existence of any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to the Authority’s sole approval) or bonded for thirty (30) days after the filing or recording thereof;

(vi) Any material deviation in the Improvements from the Plans without the prior written consent of Lender, or the appearance of defective workmanship or materials, in Lender’s sole discretion, which has not been cured for a period exceeding thirty (30) days; and

(vii) Any general contractor or any other contractor defaults under any construction contract, in a manner which the Lender deems to be material, and unless otherwise agreed in writing by the Lender, the Obligor fails to exercise its rights and remedies under the construction contract, as applicable with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of when such right first arose.

c) Upon the occurrence of a Default, the Authority may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any of the following actions:

(i) The Authority may, in addition to any other remedies which it may have, at its option and without prior demand or notice, immediately cause the cancellation of any pending disbursement (and the PACE Program Administrator shall have no obligation to make further disbursements) and from time to time apply all or any part of any undisbursed funds to payment of amounts owing on the Assessment and/or to any other obligations of the Property Owner hereunder. The Authority has authorized the Program Administrator at its option and without prior demand or notice, to enter the Property and complete construction of the Improvements in accordance with the Plans and the Construction Contract with such changes therein as the Program Administrator may from time to time and in its judgment deem appropriate, all at the risk and expense of the Property Owner.

(ii) Exercise any other rights and remedies available to it hereunder or at law or in equity

(iii) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of a Default.

(iv) Property Owner agrees to pay all costs of collection when actually incurred, by the Authority, including but not limited to reasonable attorneys' fees and all related costs. If any suit or action is instituted to enforce this Agreement, Property Owner promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees and costs in such suit or action to the Authority as the prevailing party

Section 15. Amendment. This Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 16. 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.

(a) The Authority has the right to assign any or all or any of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment 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 lien or the right to enforce the collection of the Assessment or any installment thereof against the Property. Any assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Authority hereunder to the extent that such rights and obligations have been assigned by the Authority pursuant to the assignment documentation between the Authority and the assignee. The Authority may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

(b) In no event shall Property Owner assign or transfer any portion of this Agreement or Property Owner's obligations under the Agreement without the prior express written consent of the Authority, which consent may be granted or withheld in the sole and absolute discretion of the Authority. Sale, transfer, or rental of the Property or any parcel thereof is not an assignment or transfer of this Agreement.

Section 17. 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 18. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 19. Notices All. notices and demands shall be given in writing by first class mail, postage prepaid, by personal delivery (by recognized courier service or otherwise), or via electronic mail. Notices shall be considered given upon the earlier of (a) receipt of electronic mail or personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice. Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

If to Authority:

Western Riverside Council of Governments
3390 University Avenue, 4th Floor
Riverside, CA 92501
Attention: Executive Director

If to Program Administrator:

Greenworks Lending LLC
28 Thorndal Circle, 3rd Floor
Darien, CT 06820
Attn: Alexandra Cooley
acooley@greenworkslending.com
and
servicing@greenworkslending.com

If to Property Owner:

[Name]
[Address]
[Phone]
[Email]

Section 20. 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 21. 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 Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. No Waiver; Amendments. No waiver of any default or breach by Property Owner hereunder shall be implied from any failure by the PACE Program Administrator or the Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Property Owner and the Authority. 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 reasonable be required in order to carry out the expressed intention of this Agreement

Section 24. Waiver of Jury Trial and Class Action. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH

ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR

DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By:

Its:

ACKNOWLEDGED AND ACCEPTED BY:

GREENWORKS LENDING LLC

By:

Its:

The following are the authorized signatories of the Property Owner:

Name: By: Its:	Name: By: Its:
--------------------------	--------------------------

Name:	Name:
By: Its:	By: Its:

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

EXHIBIT B

IMPROVEMENTS

IMPROVEMENT	AMOUNT
	\$
TOTAL PROJECT AMOUNT TO BE FINANCED	\$

EXHIBIT C

ASSESSMENT SCHEDULE

Tax Year	Principal (a)	Interest (b)	Administrative Expenses (c)*	Total (a) + (b) + (c)
2017 – 2018	\$	\$	\$	\$
2018 – 2019				
2019 – 2020				
2020 – 2021				
2021 – 2022				
2022 – 2023				
2023 – 2024				
2024 – 2025				
2025 – 2026				
2026 – 2027				
2027 – 2028				
2028 – 2029				
2029 – 2030				
2030 – 2031				
2031 – 2032				
2032 – 2033				
2033 – 2034				
2034 – 2035				
2035 – 2036				
2036 – 2037				
Total Assessment:	0		Total Payment	0

*Subject to increase pursuant to Section 3(f) of the Agreement.
[Attach notary pages]

Appendix E

Assessment Contracts California HERO Program ASSESSMENT CONTRACT (RESIDENTIAL)

This Assessment Contract (this "Contract") is made and entered into as of this 1st day of August, 2014, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and the record owner(s), **Jonathon Smith**, (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 California HERO Program (the "HERO Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure 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 California Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (California 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 City or County identified in Exhibit A and which has elected to participate in the HERO Program (the "Participating Entity"); and

WHEREAS, the Property is located in the boundaries of the Participating Entity, and the Participating Entity has consented to (i) owners of property within its jurisdiction (the "Participating Property Owners") participating in the HERO 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 in **Exhibit A** (the "Improvements") and the Authority would agree to provide financing, all on the terms set forth in this Contract;

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 Contract 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 Contract 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 Contract on behalf of the Property Owner.

Section 3. Contract to Pay Assessment; Prepayment

Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the "Assessment," the amount of which shall be determined as provided in Section 3(b) below. The Authority will not provide financing in an amount in excess of the Assessment.

Except as otherwise set forth in this Contract, the Assessment will be paid in the installments set forth in Exhibit B.

Interest will accrue on the Assessment at the interest rate set forth on Exhibit B beginning on the date on which the Authority issues bonds to finance the installation of the Improvements.

The Assessment. The Assessment shall equal the total amount disbursed by the Authority to pay for (i) the Improvements identified on Exhibit A, plus (ii) all costs, fees and interest associated therewith as reflected on Exhibit B, which total amount is also known as the Actual Disbursement Amount (defined below). In no event, however, will the amount disbursed by the Authority exceed the Maximum Disbursement Amount set forth in Exhibit B.

Exhibit B sets forth an Estimated Disbursement Amount, which is based upon the price of the initially selected Improvements identified in Exhibit A, which in turn provides the basis for calculating the associated costs, fees and interest appearing on Exhibit B.

Upon receipt of the fully executed and final Completion Certificate (as described in The California Residential HERO Program Handbook, Version 1.2, dated October 2014, Section 7 referred to herein as the "Handbook") the Authority shall calculate and disburse payments to those entitled to receive them (the "Actual Disbursement Amount") hereunder. If at any time after executing this Contract but before the Authority pays the Actual Disbursement Amount, the Property Owner changes the Improvements to be installed from those originally appearing on Exhibit A, but (i) the Improvement categories and the Improvement types do not change from those originally selected, and (ii) the "Revised Estimated Disbursement Amount" (which means the amount anticipated to be the Actual Disbursement Amount based on the changed Improvements) is less than or equal to the Estimated Disbursement Amount, the parties do not need to execute the Addendum described in Section 4 below, and this Contract shall remain unmodified and the Assessment shall be calculated as described above in this Section 3(b). If, however, any such change meets the provisions of Section 4 below, then an Addendum will be required.

Administrative Expenses. The Property Owner hereby acknowledges and agrees that the Authority may add amounts to an annual installment of the Assessment in order to pay for the costs of collecting the Assessment (the "Additional Administrative Assessment").

Prepayment of the Assessment. The Assessment may be prepaid, in whole or in any amount of at least \$2,500, at any time upon the payment of (i) the whole or a portion of the unpaid principal component of the Assessment, (ii) and interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind in the event that the bond or bonds secured thereby are refunded or for any other reason.

Section 4. Addendum. The parties agree to execute an addendum to this Contract (the "Addendum") if at any time after executing this Contract but before the Actual Disbursement Amount is released for disbursement: (i) the Improvement categories or the Improvement types change from those appearing in Exhibit A; (ii) the Revised Estimated Disbursement Amount is greater than the Estimated Disbursement Amount but does not exceed the Maximum Disbursement Amount; or (iii) it becomes necessary to correct the name, capacity, title, party or clerical errors identified therein. In any such case, the Authority, or the HERO Program on behalf of the Authority, shall prepare an Addendum: (i) setting forth an accurate description of the Improvements installed; (ii) confirming that the Assessment does not exceed the Maximum Disbursement Amount; and (iii) as necessary, correcting the names, capacities, titles, parties and other clerical corrections appearing in the original documentation comprising this Contract. The Authority, or the HERO Program on behalf of the Authority, shall prepare and provide such Addendum to the Property Owner for review and signature. Once signed by the Property Owner, the Authority shall execute the Addendum, which shall become part of, and be incorporated into, this Contract as if it originally appeared therein.

Section 5. Collection of Assessment; Lien. The Assessment, the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, and the Additional Administrative Assessment shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have such delinquent Assessment installment and its 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 installments, 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 such bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment installments under circumstances specified in such covenant.

Section 6. Financing of the Improvements.

Contract to Finance Improvements. The Authority hereby agrees to use the Assessment, together with the Additional Administrative Assessment, to finance the Improvements, including the payment of the Authority's reasonable costs of administering the HERO Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority.

Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Assessment installments set forth on Exhibit B is identified on Exhibit B. If the Authority determines in its reasonable discretion that the

Assessment installments may be reduced because the applicable interest rate on the bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit B, or 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 of annual Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit B.

Section 7. Multiple Contractors and Improvements. Notwithstanding anything to the contrary in this Contract, if the Property Owner engages one or more contractors (each, a "Contractor," which term includes any designee thereof) to install more than one Improvement, the installation of which Improvements will not be completed simultaneously, the Property Owner and the Authority agree as follows:

Upon receipt of the initial Completion Certificate from a Contractor and the Property Owner (the "First Installation Completion Certificate") acknowledging installation of the first type or category of Improvements, then:

The "Investor" (which means any person or entity who has entered into an agreement with the Authority to purchase bonds under the Program) shall deposit the Actual Disbursement Amount with the municipal trustee for the Program;

The Authority shall cause bonds to be issued and sold to the Investor in the amount equal to the Actual Disbursement Amount deposited with such municipal trustee;

The Authority shall cause all instruments, documents and agreements described in Section 9 of this Contract to be recorded;

The Authority shall cause the amount reflected in the First Installation Completion Certificate to be disbursed to the Contractor who installed such Improvements; and

The Authority shall cause all administrative, recording and other fees described on line 6 of Exhibit B to be paid.

Upon receipt of a subsequent Completion Certificate from the Property Owner and the Contractor (each, a "Subsequent Installation(s) Completion Certificate") acknowledging installation of the subsequent types or categories of Improvements, the Authority shall cause the municipal trustee for the Program to disburse amount(s) reflected in each such Subsequent Installation Completion Certificate to the Contractor who installed such Improvements.

Upon receipt of the final Completion Certificate from the Contractor and the Property Owner (the "Final Installation Completion Certificate") acknowledging installation of the final types or categories of Improvements, then:

The Authority shall cause the amount reflected in such Final Installation Completion Certificate to be disbursed to the Contractor who installed such Improvements; provided, however, that:

If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee exceeds the amount reflected in the Final Installation Completion Certificate, the Authority shall cause such excess to be applied, at the discretion of the Investor, (i) to the Property Owner's next assessment payment due under this Contract, or

(ii) to the reduction of the outstanding balance of the Assessment determined in accordance with Sections 3 and 4 of this Contract; or

If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee is less than the amount

reflected in the Final Installation Completion Certificate, the Property Owner shall be individually responsible for paying such difference to the applicable Contractor, and such payment shall be excluded from the Assessment under this Contract.

If for any reason any one or more of the categories or types of Improvements planned to be installed under this Section 7 is not installed by the expiration date reflected in the Notice to Proceed, then the Investor shall have the option to declare the financing of the Improvements complete, in which case the municipal trustee shall be notified to apply any remaining balance of the Actual Disbursement Amount held by such municipal trustee to reduce the Property Owner's outstanding Assessment.

Section 8. Term: Contract Runs with the Land: Subdivision.

Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

This Contract 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.

In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment 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 should be allocated in an alternate manner.

Section 9. 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.

Section 10. 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 any subdivision of the Property, of the obligation to pay the Assessment pursuant to this Contract.

Section 11. Waivers, Acknowledgment and Contract. Because this Contract reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIII D 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 hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the HERO 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 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 Contract solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the Participating Entity 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 the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the Participating Entity 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 Contract that the Property Owner may now have or hereafter acquire against the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

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.

Jonathon Smith Initials:	Initials:
_____	_____
Initials:	Initials:
_____	_____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Contract.

Section 12. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, 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 HERO Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, 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 Contract.

The provisions of this Section 12 shall survive the termination of this Contract.

Section 13. Right to Inspect Property. The Property Owner hereby grants the Authority, 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, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 14. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 15. HERO Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the HERO 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 HERO Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 16. Amendment. Except as set forth in Section 3(b) or as provided for in Exhibit A pertaining to a fully executed and final Completion Certificate, this Contract may be modified only by an Addendum (as provided in Section 4) or other written agreement of the Authority and the Property Owner.

Section 17. Binding Effect; Assignment. This Contract 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 Contract without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Contract 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 lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 18. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 19. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 20. 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 Contract.

Section 21. Governing Law: Venue. This Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the Superior Court of the County of Los Angeles.

Section 22. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. Monitoring and Recording of Telephone Calls. The HERO Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Assessment Contract the Property Owner agrees to have their telephone calls with the HERO Program monitored and/or recorded.

Section 24. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and SANBAG includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the "Contract Documents").

By executing this Contract Property Owner acknowledges and agrees that:

Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions to WRCOG that the Property Owner may have regarding such Contract Documents.

Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in Appendix B to the HERO Residential Program Handbook (the "Handbook").

Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Handbook.

Prior to executing this Assessment Contract I have read and understand (a) the Property Owner's Acknowledgments and Disclosures contained in (a) the Application, (b) this Assessment Contract, (c) the Privacy Notice and (d) the Handbook.

Owner(s) must execute and return this Contract to WRCOG at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by WRCOG not later than 08/11/2014. If the Property Owner fails to return the signed Assessment Contract to WRCOG by the indicated date the HERO Program reserves the right to require the Property Owner to enter into a new Contract. All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously successfully completed the identity verification process approved by WRCOG.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date entered with the signatures of the parties below.

Owner 1:	
Jonathon Smith, Signature	
Date: _____ Month/Day/Year	Identity Verification Code: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
WRCOG Executive Director and/or his or her designee:	
_____ Name <i>(Please Print)</i>	
WRCOG Signatur _____	_____ Date of Execution by WRCOG

EXHIBIT A

DESCRIPTION OF PROPERTY, DESCRIPTION OF THE PRODUCTS, AND NOTICE INFORMATION

Description of Property:

Property Owner Name(s): Jonathon Smith

Property Address: 123 Oak St, Azusa, CA 91702

APN: 0000000000

Participating Entity: City of Azusa

County: Los Angeles

Description of Products:

The Products include the following:

PRODUCT #1	
Product Category Type:	High-Efficiency HVAC - Central Air Conditioner

Or similar energy efficient product which is allowed under the HERO Program Guide.

All terms set forth in the fully executed and final Completion Certificate shall supersede and take precedence over any term in this Exhibit A that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth in such Completion Certificate, and such Completion Certificate shall become part of, and be incorporated into, this Exhibit A as if they originally appeared therein.

Notice Information:

Western Riverside Council of Governments
Attn: WRCOG HERO Program Manager

Jonathon Smith
123 Oak St
Azusa, CA 91702

EXHIBIT B

LIST OF CONTRACT DOCUMENTS, DISBURSEMENT, AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL, INTEREST AND ANNUAL ASSESSMENT ADMINISTRATIVE FEE

List of Contract Documents:

The Contract shall consist of the following documents:

This Contract and the exhibits hereto;
Any Addendum entered into pursuant to Section 4 hereto;
The Application;
The Right to
Cancel;
The Completion Certificate or, pursuant to Section 7, each applicable Completion Certificate;
The Assessment Cost and Payment Summary;
The Notice of Assessment;
The Payment of Contractual Assessment Required;
The California Residential HERO Program Handbook, Version 1.2, dated October 2014; and The
HERO Program website located at <https://www.heroprogram.com>.

Disbursement Amounts:

The "Maximum Disbursement Amount" under this Contract is \$ __, which means that WRCOG shall not disburse any amount that exceeds this figure.

The "Estimated Disbursement Amount" under this Contract is \$ __, which was based upon the Improvements and pricing set forth on the table below in this Exhibit B. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

WRCOG disburses the Estimated Disbursement Amount to Owner.

Interest totaling a maximum of \$ __ will accumulate until your first Payment. That amount will be added to Owner's Estimated Disbursement Amount.

WRCOG disburses to Owner on the Estimated Disbursement Date.

The Assessment Interest Rate is __. __ %.

The Annual Percentage Rate (APR) of your assessment is __. __ %. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the HERO Program.

The total administrative fees, recording fees and annual assessment added to your assessment is \$

__.

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
---------------------------------	----------	-----------	---------------------	---	---

2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

FOLLOWING THE DISBURSEMENT OF THE ACTUAL DISBURSEMENT AMOUNT, THE HERO PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND THE ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE ACTUAL ASSESSMENT BASED UPON THE ACTUAL DISBURSEMENT AMOUNT, THE ACTUAL DATE OF DISBURSEMENT AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ACTUAL DISBURSEMENT AMOUNT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY WRCOG IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES.

Prepayment:

You have a right to pay off your assessment lien amount at any time in full, or in any amount of at least \$2,500 pursuant to Section 3(d) of the Assessment Contract. However, if you do so, you will have to pay the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount") and interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

California HERO Program

**ADDENDUM TO THE ASSESSMENT CONTRACT
Addendum No. 1**

All terms set forth below in this Addendum (i) shall supersede and take precedence over any term in the Assessment Contract by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and **Jonathon Smith** entered into on the Effective Date (defined within the Assessment Contract) (the "Contract") that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth herein and (ii) shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For the avoidance of doubt, name, capacity, title, party and clerical corrections appearing below in this Addendum shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For purposes of this Addendum,

"Exhibit A" and "Exhibit B" refer to Exhibits A and B within the Contract.

RECITALS:

WHEREAS, the Authority and Property Owner have executed the Contract to finance the Improvements installed at the Property; and

WHEREAS, (i) the Improvements, Improvement types, and/or Improvement categories appearing in Exhibit A differ from those appearing in this Addendum, and/or (ii) the Estimated Disbursement Amount appearing in this Addendum is greater than the Estimated Disbursement Amount originally listed in Exhibit B; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

Defined Terms. Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings given to them in the Contract.

Addendum.

The Improvements and Improvement Amounts appearing in this Addendum shall replace the Improvements listed in Exhibit A, and shall become part of, and incorporated into, Exhibit A as if they originally appeared herein.

The Revised Estimated Disbursement Amount listed in this Addendum shall replace the Estimated Disbursement Amount listed in Exhibit B, and shall become part of, and be incorporated into, Exhibit B as if it originally appeared therein.

The name, capacity, title, party and other clerical corrections (if any) appearing in the signature block of this Addendum shall supersede and take precedence over those originally appearing in the Contract and shall become part of, and be incorporated into, the Contract as if they originally appeared therein.

Miscellaneous. The existing Contract, as amended by the Addendum, remains in full force and effect. Any reference to the Contract from and after the date hereof shall be deemed to refer to the Contract as amended hereby.

Representations and Warranties.

Property Owner hereby represents and warrants that (i) the terms, conditions and information contained in this Addendum are true and correct, and (ii) the Property Owner affirmatively authorized installation of the Improvements identified herein and in the fully executed and final Completion Certificate.

Property Owner hereby confirms that (i) each of its representations, warranties and covenants set forth in the Contract, after giving effect to this Addendum are true and correct as of the date first written above with the same effect as though each has been made as of such date, and (ii) all terms and conditions of the Contract shall remain in full force and effect and the Property Owner hereby ratifies the obligations thereunder.

Estimated Disbursement Amount. The Revised Estimated Disbursement Amount under this Contract is \$, which is based upon the Improvements and pricing set forth in this Addendum. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Interest totaling a maximum of \$ will accumulate until your first Payment. Total administrative fees, recording fees, and annual assessment fee added to your assessment is \$.

Property Owner Information:

Date: **08/01/2014**
Property Owner: **Jonathon Smith**
Property Address: **123 Oak St, Azusa, CA 91702**
HERO ID: **RLA12345N**
Application Date: **08/01/2014**
Expiration Date: **11/19/2015**

Summary:

Financing Term	Interest Rate	Annual Amount Added to Property Tax Bill
5 years	<u> </u> %	\$ <u> </u> .

Description of Products:

PRODUCT #1	
Product Category Type:	High-Efficiency HVAC - Central Air Conditioner

Payment Schedule:

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on the preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously, immediately prior to executing this Addendum No. 1, successfully completed the identity verification process approved by the Authority.

Owner 1:

Jonathon Smith, Signature

Date: _____ Identity Verification Code: _____
Month/Day/Year

WRCOG: Executive Director and/or his or her designee:

Name (Please Print)

WRCOG Signature

Date of Execution by WRCOG

CALIFORNIA HERO PROGRAM
ASSESSMENT CONTRACT
(Commercial Property)

This Assessment Contract ("Contract") is made and entered into as of the Effective Date (defined below) by and between the Western Riverside Council of Governments, California, ("Agent"), a joint exercise of

powers authority, and **[OWNER(S)]** ("Owner"), the record owner of fee title to the real property identified in the "Description of Property" section of Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The "Effective Date" is defined as the last date entered with the signatures of the parties below.

RECITALS

The Western Riverside Council of Governments (Agent) is a joint exercise of powers authority the members of which include the County of Riverside (the "County") and numerous cities located in the County (each, a "Member Agency").

Agent has established the "California HERO Program" (the "Program") pursuant to Chapter 29 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to allow for the financing of certain renewable energy, energy efficiency and water efficiency and electric vehicle charging infrastructure improvement products that are permanently affixed to real property ("Eligible Products").

Pursuant to Chapter 29 and the Program, Agent may levy voluntary contractual assessments against developed properties in the jurisdictions of the Associate Members that have authorized Agent to implement and administer the Program within such Associate Members, with the free and willing consent of the owners of the properties on which such assessments are levied, to finance the acquisition and construction on and/or installation in the assessed properties of certain qualifying renewable energy, energy efficiency and/or water efficiency products or electric vehicle charging infrastructure. The purpose and method of administration of the assessments under the Program are described in the California HERO Program Report originally adopted by the Agent Board of Directors on June 3, 2013, as such report has been and may be amended from time to time (the "Program Report") prior to the Effective Date of this Contract.

The Property is located within the jurisdiction of the Associate Member set forth in the "Description of Property" section of Exhibit A hereto and such Associate Member has consented to (i) owners of property within its jurisdiction participating in the Program and (ii) Agent conducting the assessment proceedings under Chapter 29 and issuing bonds pursuant to the Program to finance Eligible Products.

Owner has submitted an application and funding request to participate in the Program (collectively, the "Application"). Agent has approved the Application pursuant to the requirements of the Report. The Application describes, among other things, the particular Eligible Products that have been acquired, constructed on and/or installed in the Property and are to be financed pursuant to the Program. In this Contract, such Eligible Products, together with their acquisition, construction and/or installation on the Property, are referred to as "the Products."

Owner will acquire and construct and/or install the Products on or in the Property or will cause the acquisition and construction and/or installation of the Products on or in the Property and Owner will obtain all necessary permits and/or inspections required pursuant to this Contract and the Program necessary to enable Agent to finance the Products.

Pursuant to Chapter 29 and the Program, Agent and Owner wish to enter into a contract pursuant to which Owner agrees to pay a voluntary contractual assessment in order to finance the Products including the acquisition, construction and/or installation of thereof and Agent agrees to providing financing for such purpose, all on the terms set forth in this Contract.

NOW THEREFORE, in consideration of the foregoing and the mutual material covenants contained herein and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, Owner and Agent formally covenant and agree as follows:

CONTRACT

Purpose The Owner and Agent are entering into this Contract for the purpose of financing the acquisition, construction and/or installation of the Products identified in Exhibit A in or on the Property.

The Property This Contract relates to the Property identified in Exhibit A.

Contract Documents This Contract shall consist of the documents listed in Exhibit B attached hereto and incorporated herein by this reference.

All such documents shall be collectively referred to herein as the "Contract Documents." All of the declarations and warranties of Owner made in the Application are incorporated in this Contract as if fully set forth herein. Owner acknowledges that Owner has received copies of each of the Contract Documents.

OWNER AGREES AND UNDERSTANDS THAT OWNER MUST EXECUTE AND RETURN THIS CONTRACT SO THAT SUCH CONTRACT IS RECEIVED BY Agent OR ITS REPRESENTATIVE ON OR BEFORE THE DEADLINE DATE SET FORTH ON THE SIGNATURE PAGE HEREOF AND THAT ALL SIGNATURES MUST BE NOTARIZED BY A DULY LICENSED NOTARY PUBLIC.

Contract Term The term of this Contract shall be until the Assessment defined below and all accrued interest thereon, together with any applicable penalties, costs, fees, and other charges have been paid in full.

Assessment and Lien

Owner agrees that upon the execution of this Contract by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Contract, Chapter 29 and other applicable law (the "Assessment") together with interest, and consents to levy of the Assessment on and recordation of a lien against the Property. Upon execution of this Contract, Agent will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "County") (i) a notice of assessment (the "Notice of Assessment") as required pursuant to Chapter 29, together with a copy of this Contract and (ii) a Payment of Contractual Assessment Required as required pursuant to Chapter 29.

The execution of this Contract by the parties constitutes the levy of the Assessment by Agent against the Property without any further action required by the parties.

Upon recordation of the Notice of Assessment in the office of the County Recorder, the Assessment and each installment, together with any interest and penalties that become due on the Assessment, shall constitute a lien upon the Property until paid. Initially, as reflected in the Notice of Assessment, upon recordation of the Notice of Assessment, the Assessment shall be equal to the Disbursement Amount, as defined in Section 6 below.

Failure to pay any installment of the Assessment or any interest thereon, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, Agent has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 8(g) below.

Disbursement Amount Agent agrees to disburse monies to or on behalf of Owner pursuant to the terms of this Contract in the amount set forth in Exhibit B attached hereto and incorporated herein by this reference ("Disbursement Amount"). In the event the actual cost of the Products exceeds the Disbursement Amount, Owner shall be solely responsible for the payment of all such costs.

Special Benefit to Property Owner expressly acknowledges that the Products confer a special benefit to the Property in an amount at least equal to the Assessment.

Collection of Assessment and Annual Assessment Administrative Fee on Property Tax Bill: Other Remedies

The annual portion of the principal amount of the Assessment, together with the annual interest on the Assessment and the Annual Assessment Administrative Fee (defined in paragraph f) below) (collectively, the "Annual Assessment Installment"), due and payable each Tax Year (each such Tax Year being the period from July 1st through the following June 30th), shall be collected on the property tax bill pertaining to the Property. The Annual Assessment Installment coming due in any Tax Year shall be payable in the same manner and at the same time and in the same installments as the general taxes of the County on real property are payable, and the Annual Assessment Installments shall be payable and become delinquent at the same times and in the same proportionate amounts and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

Following disbursement of the Disbursement Amount to the Owner, the Annual Assessment Installments shall be placed on the tax roll each Tax Year, commencing with the Tax Year beginning immediately following the date of such disbursement (the "Disbursement Date"). The estimated initial Tax Year is set forth in Exhibit B attached and incorporated by this reference (the "Estimated Initial Tax Year").

The amount of interest accrued on the Assessment from the Disbursement Date through September 1st of the Initial Tax Year ("Capitalized Interest") has been included in the Disbursement Amount and is therefore included in the principal amount of the Assessment.

Interest shall accrue on the unpaid Assessment from the Disbursement Date at a simple interest rate fixed by Agent and set forth on Exhibit B attached hereto and incorporated herein by this reference. Interest shall be computed on the basis of a three hundred sixty (360) day year. If a court of competent jurisdiction determines the interest or other charges provided for herein in connection with the Assessment or the Annual Assessment Administrative Fee exceed the limits permitted by applicable law, then: (i) any such interest or charge shall be reduced by the amount necessary to reduce the interest or charge to such permitted limit; and (ii) any sums already collected which exceed such permitted limit will be refunded by Agent. Agent may make the refund by making a direct payment to Owner or by crediting the refund amount against the next installment or installments of the Assessment.

The Estimated Maximum Annual Assessment Installments that may be placed on the tax roll each Tax Year are set forth in Exhibit B. The amounts set forth on Exhibit B are based on the assumption that Agent disburses the Disbursement Amount to or on behalf of Owner on the Estimated Disbursement Date set forth in Exhibit B. Prior to the disbursement of the Disbursement Amount, Agent will adjust the Annual Assessment Installments to reflect the actual Assessment based upon the Disbursement Amount, the actual date of such disbursement and the actual amount of Capitalized Interest.

The lien of the Assessment shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency, (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment, (iii) easements constituting servitudes upon or burdens to the Property, (iv) water rights, the record title to which is held separately from the title to the Property, and (v) restrictions of record.

In addition to the Assessment, until the Assessment and the interest thereon is paid in full, Owner agrees that the Property is subject to an annual administrative fee to be included in the Annual Assessment Installment pursuant to this Contract, Chapter 29 and applicable law to pay costs incurred by Agent which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Report, and from the administration of any reserve fund and other related funds (the "Annual Assessment Administrative Fee"). The maximum Annual Assessment Administrative Fee shall not exceed fifty dollars (\$50.00) in Tax Year commencing on July 1, 2015 and shall thereafter be adjusted annually commencing on July 1 of each subsequent Tax Year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for applicable to the County of Riverside. Agent shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

Owner acknowledges and understands that, no later than October 1 of each year, Agent will determine whether the Property is delinquent in the payment of any Assessment Installments and, if so, will notify Agent Counsel of any such delinquencies. Agent Counsel will commence, or cause to be commenced, judicial foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint not later than December 1 of such year. Failure of such a complaint to be filed by such December 1 shall not, however, invalidate any judicial foreclosure proceedings commenced after such date.

Use of Proceeds Owner shall use the Disbursement Amount for the sole purpose of paying for the reasonable costs and expenses of the Products on the Property, for the Program fees, and capitalized interest.

Disbursement Procedures

Notwithstanding anything to the contrary contained herein, Agent shall have no obligation to disburse funds to Owner unless and until each of the following conditions is satisfied, or any such condition is expressly waived by Agent:

Owner has, as appropriate, executed and delivered to Agent the Contract Documents and such other documents or instruments pertaining to the Disbursement Amount or the Products as Agent may require.

As of the Disbursement Date, Agent shall have determined that the representations of Owner contained in the Contract Documents are true and correct, and no Default (as defined in Section 18 below) shall have occurred and be continuing.

No stop payment or mechanic's lien notice pertaining to the Products has been filed and remains in effect as of the Disbursement Date.

Owner will, within fifteen (15) days of presentation by Agent or the representative thereof, execute any and all documents or instruments required by the Contract Documents in connection with the disbursement of funds to Owner, other than this Contract, which must be executed by the date set forth on the Signature Page below.

Upon satisfaction or waiver of the conditions described in paragraph (a), above, Agent will disburse funds to or on behalf of the Owner.

Prepayment of Assessment Owner may prepay the remaining balance of the Assessment by paying the principal amount or a portion of the Assessment in increments of \$5,000 owing on the Assessment, plus the applicable prepayment premium, if any, calculated on the principal amount of the Assessment to be prepaid, processing fee and accrued interest determined by Agent in accordance with this Contract and the Report, and the amount of any delinquent installments of principal of and interest on the Assessment, together with penalties accrued to the date of prepayment. The processing fee and schedule of prepayment premiums is set forth in Exhibit B hereto.

Interest on the Assessment shall accrue until the next available redemption date for any bond or bonds issued pursuant to a financing relationship contemplated by the Report and which bond or bonds are secured by the Assessment. Such redemption date shall not exceed 180 days from the date of prepayment of the Assessment. Owner shall notify Agent in writing of Owner's determination to prepay the Assessment at least ten (10) business days prior to the date Owner intends to prepay the Assessment.

Representations and Warranties of Owner Owner promises that each representation and warranty set forth below is true, accurate and complete as of the date of this Contract. By accepting the Disbursement Amount, Owner shall be deemed to have reaffirmed each and every representation and warranty made by Owner in this Contract and in the Application, as of the date of disbursement. If Owner is comprised of the trustees of a trust, the following representations shall also pertain to the trustor(s) of the trust.

Formation: If Owner is anything other than a natural person, it has complied with all laws and regulations concerning its organization, existence and the transaction of its business, and is in good standing in each state in which it conducts its business.

Authority: Owner is the owner of the Property and is authorized to execute, deliver and perform its obligations under the Contract Documents, and all other documents and instruments delivered by Owner to Agent in connection therewith. The Contract Documents have, if required, been duly executed and delivered by Owner and are valid and binding upon and enforceable against Owner in accordance with their terms, and no consent or approval of any third party, which has not been previously obtained by Owner, is required for Owner's execution thereof or the performance of its obligations contained therein.

Compliance with Law: Neither Owner nor the Property is in violation of, and the terms nor provisions of the Contract Documents conflict with, any regulation or ordinance, any order of any court or governmental entity, or any building restrictions or governmental requirements affecting the Property.

No Violation: The terms and provisions of the Contract Documents, the execution and delivery of the Contract Documents by Owner, and the performance by Owner of its obligations contained in the Contract, will not and do not conflict with or result in a breach of or a default under any of the terms or provisions of any other agreement, contract, covenant or security instrument by which Owner or the Property is bound.

Other Information: All reports, documents, instruments, information and forms of evidence which have been delivered to Agent related to Owner's application for the Program funding are accurate, correct and sufficiently complete to give Agent true and accurate knowledge of their subject matter.

Lawsuits: There are no lawsuits, tax claims, actions, proceedings, investigations or other disputes pending or threatened against Owner or the Property which may impair Owner's ability to perform its obligations hereunder, or which may impair Agent's ability to levy and collect the Assessment and Annual Assessment Installments.

No Event of Default: There is no event which is, or with notice or lapse of time or both would be, a Default under this Contract.

Accuracy of Declarations: The declarations of Owner contained in the Application are accurate, complete and true.

Owner's Covenants Owner promises:

Installation and Maintenance of Products: Owner shall cause its contractor(s) to install the Products, in a good and workmanlike manner and in accordance with sound construction and installation practices. Owner shall maintain the Products in good condition and repair.

Compliance with Law and Agreements: Owner shall complete all Products, or cause the Products to be completed, in conformity with all applicable laws, including all applicable federal, state, and local occupation, safety and health laws, rules, regulations, standards, and recorded instruments, covenants or agreements affecting the Property. Owner shall comply with and keep in effect all permits, licenses, and approvals required to complete installation of the Products.

Site Visits: Owner grants Agent, its agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Owner, for the purposes of observing the Products. Agent will make reasonable efforts during any site visit to avoid interfering with Owner's use of the Property. Owner shall also allow Agent to examine and copy records and other documents of Owner which relate to the Products. Any site visit, observation or examination by Agent shall be solely for the purposes of protecting Agent's rights under the Contract Documents.

Protection Against Lien Claims: Owner shall promptly pay or otherwise discharge any claims and liens for labor done and materials and services furnished to the Property in connection with the Products. Owner shall have the right to contest in good faith any claim or lien, provided that it does so diligently and without delay in completing the Products.

Notice to Successors in Interest: Owner agrees to provide written notice to any subsequent purchaser of the Property that the Property is subject to a Program assessment lien, and to provide any subsequent purchaser a copy of this Contract.

Insurance: If the Disbursement Amount exceeds \$50,000, Owner shall provide, maintain and keep in force at all times until the Products are completed, builder's all risk property damage insurance on the Property, with a policy limit equal to the amount of the Disbursement Amount.

Notices: Owner shall promptly notify Agent in writing of any Default under this Contract, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

Mechanic's Lien and Stop Notices In the event of the filing of a stop notice or the recording of a mechanic's lien pursuant to applicable law of the State of California and relating to the Products, Agent may summarily refuse to disburse any funds to Owner, and in the event Owner fails to furnish Agent a bond causing such notice or lien to be released within ten (10) days of notice from Agent to do so, such failure shall at the option of Agent constitute a Default under the terms of this Contract. Owner shall promptly deliver to Agent copies of all such notices or liens.

Owner Responsibility: Indemnification

Owner acknowledges that Agent has established the Program solely for the purpose of assisting the owners of property in the Agent subregion with the financing of the acquisition, construction, and installation of Eligible Products. The Program is a financing program only. Neither Agent, its officials, agents, employees, attorneys and representatives, are responsible for selection, management or supervision of the Products or of the Products' performance. Owner acknowledges and understands that any issues related to performance of the Products should be discussed with chosen contractors or installers, and the manufacturer or distributor of the Products.

To the extent permitted by law, Owner shall indemnify, defend, protect, and hold harmless Agent and any and all officials, agents, employees, attorneys and representatives of Agent, the purchasers of any bonds issued to finance the installation of the Products 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 attorneys' fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with, (i) the Contract Documents, (ii) disbursement of the Disbursement Amount, (iii) the Products, (iv) any breach or Default by Owner under the Contract Documents, (v) the levy and collection of the Assessment and the Annual Assessment Administrative Fee, (vi) the imposition of the lien of the Assessment, and (vii) any other fact, circumstance or event related to Agent's extension and payment of the Disbursement Amount to or on behalf of Owner or Owner's performance of its obligations under the Contract Documents (collectively, the "Liabilities"), regardless of whether such Liabilities shall accrue or are discovered before or after the Disbursement. If the Property is located in an incorporated area, this indemnity shall extend to officials, agents, employees, attorneys and representatives of the city in which the Property is located. If the Property is located in an unincorporated area, this indemnity shall extend to officials, agents, employees, attorneys and representatives of the County. This indemnity shall also extend to the purchasers of any bonds issued to finance the installation of the Products and such purchasers' officials, agents, employees, attorneys and representatives. Each of the parties to which the indemnifications provided for in this paragraph b) extend shall be referred to as the "Indemnified Parties."

The indemnity obligations described in this Section shall survive the disbursement of funds to Owner, the payment of the Assessment in full, the transfer or sale of the Property by Owner, and the termination of this Contract.

Waivers, including Waiver of Claims

Because this Contract reflects Owner's free and willing consent to enter into this Contract and to pay the Assessment and the Annual Administrative Assessment Fee, Owner hereby waives any otherwise applicable requirements for or right to the preparation of an engineer's report, notice of public hearing, public hearing, protest or opportunity to submit an assessment ballot in support of or in opposition to the Assessment pursuant to Article XIID of the California Constitution, the Proposition 218 Omnibus

Implementation Act (commencing at California Government Code Section 53750) and any other provision of California law.

Owner agrees and acknowledges that the Assessment is not a "tax" as used in Section 1(e) of Article XIII C of the California Constitution and that if such Assessment is a levy, charge, or exaction of any kind by Agent, it is a charge imposed for a specific benefit conferred or privilege granted to Owner that is not provided to those not charged, and which does not exceed the reasonable costs to Agent of conferring the benefit or granting the privilege to Owner. Owner further knowing and voluntarily waives any otherwise applicable requirements for or rights granted under Article XIII A or XIII C pertaining to the Assessment.

Owner hereby waives Owner's right to repeal or reduce the Assessment by initiative or any other action, or to file any lawsuit or other proceeding, at law or in equity, to challenge the validity of the Assessment or the proceedings of Agent, or any portion thereof, undertaken in connection with the establishment of the Program.

For and in consideration of Agent's execution and delivery of this Contract, Owner, for itself and for its successors-in-interest to the Property and for any one claiming by, through, or under Owner, hereby waives the right to recover from and fully and irrevocably releases the Indemnified Parties and each of them from any and all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs, that Owner may now have or hereafter acquire against any of Indemnified Parties and accruing from or related to (i) the Contract Documents, (ii) the disbursement of the Disbursement Amount, (iii) the levy and collection of the Assessment and the Annual Assessment Administrative Fee, (iv) the imposition of the lien of the Assessment, (v) the issuance and sale of any bonds or other evidences of indebtedness, or other financial arrangements entered into by Agent pursuant to the Program, (vi) the performance of the Products, (vii) the Products, (viii) any damage to or diminution in value of the Property that may result from construction or installation of the Products, (ix) any personal injury or death that may result from the construction or installation of the Products, (x) the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and their action or inaction with respect to the Products, (xi) the merchantability and fitness for any particular purpose, use or application of the Products, (xii) the amount of energy savings resulting from the Products and the Products, (xiii) the workmanship of any third parties, and (xiv) any other matter with respect to the Program. This release includes claims, obligations, liabilities, causes of action, and damages of which Owner is not presently aware or which Owner does not suspect to exist which, if known by Owner, would materially affect Owner's release of the Indemnified Parties.

OWNER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"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, OWNER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES. **Owner's Initials:**

The waivers and releases by Owner contained in this Section 16 shall survive the disbursement of the Disbursement Amount, the payment of the Assessment in full, the transfer or sale of the Property by Owner, and the termination of this Contract.

Further Assurances Owner shall execute any further documents or instruments consistent with the terms of this Contract, including documents and instruments in recordable form, as Agent shall from time to time find necessary or appropriate to effectuate its purposes in entering into this Contract and disbursing funds to Owner.

Events of Default

Remedies with respect to the nonpayment of the Assessment or other amounts payable by Owner hereunder are governed by the provisions of Section 8 hereof and state law.

The failure of any of Owner's representations or warranties to be correct in all material respects, or the failure or delay by Owner to perform any of its obligations under the terms or provisions of the Contract Documents, other than with respect to the payment of the Assessment, the Annual Assessment Administrative Fee, or other amount payable by Owner shall constitute a non monetary default hereunder ("Default"). Owner must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, but in any event, within the time set forth in paragraph (c) below.

If a Default occurs, prior to exercising any remedies under the Contract Documents or Chapter 29, Agent shall give Owner notice of such Default. If the Default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by Agent under the Contract Documents or Chapter 29. If the Default is such that it is reasonably capable of being cured, but not within such thirty (30) day period, and Owner (i) initiates corrective action within such thirty (30) day period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the Default prior to exercise of any remedies by Agent. However, in no event shall Agent be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a Default, or if the Default is not cured within one hundred and twenty (120) days after the first notice of Default is given.

Subject to the provisions of paragraph (c), above, if any Default occurs Agent may exercise any or all of the rights and remedies available to it under applicable law, at equity, or as otherwise provided herein. Upon the election of Agent, if there has been no Disbursement, this Contract shall terminate and, except as otherwise expressly provided herein, the parties shall have no further obligations or rights hereunder.

Except as provided in Section 22, any and all costs and expenses incurred by Agent in pursuing its remedies hereunder shall be additional indebtedness of Owner to Agent.

Except as otherwise expressly stated in this Contract or as otherwise provided by applicable law, the rights and remedies of Agent are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise by Agent, at the same time or different times, of any other rights or remedies for the same Default or any other Default. No failure or delay by Agent in asserting any of its rights and remedies as to any Default shall operate as a waiver of any Default or of any such rights or

remedies, or deprive Agent of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Performance of the covenants and conditions imposed upon Owner hereunder with respect to the commencement and completion of the Products shall be excused while and to the extent that, Owner, through no fault or negligence of its own, is prevented from complying therewith by war, riots, strikes, lockouts, action of the elements, accidents, or acts of God beyond the reasonable control of Owner; provided, however, that as soon as the cause or event preventing compliance is removed or ceases to exist the obligations shall be restored to full force and effect and Owner shall immediately resume installation of the Products.

Severability Each and every provision of this Contract is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Contract shall be valid and shall be enforced to the extent permitted by law.

Notices All notices and demands shall be given in writing by first class mail, postage prepaid, or by personal delivery (by recognized courier service or otherwise). Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided in the "Notice Information" section of Exhibit A attached hereto and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice.

Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

Attorneys' Fees and Costs In the event that any action is instituted to enforce payment or performance under this Contract, the parties agree that the non-prevailing party shall be responsible for and shall pay all costs and all attorneys' fees incurred by the prevailing party in enforcing this Contract.

No Waiver No disbursement of the Disbursement Amount based upon inadequate or incorrect information shall constitute a waiver of the right of Agent to receive a refund thereof from Owner.

Governing Law This Contract shall be governed by the substantive law of the State of California, regardless of any law of conflicts to the contrary in any jurisdiction. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California.

Assignment by Agent Agent, at its option, may (i) assign any or all of its rights and obligations under this Contract, and (ii) pledge and assign its right to receive the Assessment and the Annual Assessment Administrative Fee, and any other payments due to Agent hereunder, without obtaining the consent of Owner.

Owner Assignment Prohibited In no event shall Owner assign or transfer any portion of this Contract or Owner's obligations under the Contract without the prior express written consent of Agent, which consent may be granted or withheld in the sole and absolute discretion of the Agent. Sale, transfer, or rental of the Property is not an assignment or transfer of this Contract.

Carbon Credits Owner agrees that any carbon credits or renewable energy credits attributable to the Products shall be owned by Agent (on behalf of the Program).

Entire Agreement: Counterparts: Amendment This Contract, together with the other Contract Documents, is the entire agreement between the parties. Any other agreement related to the Products, and any amendment to this Contract, must be signed in writing by both parties. If there is more than one "Owner," the obligations hereunder of all Owners shall be joint and several.

This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

Further Documents Agent and Owner agree that they shall sign, deliver and if appropriate record any additional documents necessary to effectuate the purposes of this Contract. Upon expiration or termination of this Contract, Agent and Owner agree to shall sign and record any document reasonably necessary to cancel this Contract from the public records as to the Property.

Special Termination Notwithstanding anything to the contrary contained herein, this Contract shall terminate and be of no further force or effect if Owner has submitted to Agent a notice of its decision to cancel this transaction on or prior to the date and time described in the Notice of Right to Cancel which was delivered to Owner upon its execution of this Contract.

No Third Party Beneficiary Rights This Contract is entered into for the sole benefit of Owner and Agent and, subject to the provisions of Sections 13, 14, 15, and 25, no other parties are intended to be direct or incidental beneficiaries of this Contract and no third party shall have any right in, under or to this Contract.

Contract Date The date on which Agent or its representative sends this Contract to the Owner or Owners for execution shall be referred to herein as the "Contract Date."

Recordation of Contract Agent may file this Contract for recordation with the County Recorder of the County either as a separate instrument or as a part of the Notice of Assessment within ten (10) days after the last day entered with the signatures below.

Owner(s) must execute and return this Contract to Agent at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by Agent not later than _____, 20 . All signatures of the Owner(s) must be notarized by a duly licensed notary.

IN WITNESS WHEREOF , Owner and Agent have entered into this Contract as of the Effective Date.	
Owner 1:	Owner 2:
[OWNER 1 NAME]	[OWNER 2 NAME]
<i>Owner 1 Name (Please Print)</i>	<i>Owner 2 Name (Please Print)</i>
By:	By:
<i>Owner 1 Signature (Must be Notarized)</i>	<i>Owner 2 Signature (Must be Notarized)</i>
Date of Execution by Owner 1:	Date of Execution by Owner 2:

Notice Information:

EXHIBIT B
LIST OF CONTRACT DOCUMENTS, DISBURSEMENT, AND
SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL,
INTEREST AND ANNUAL ASSESSMENT ADMINISTRATIVE FEE

List of Contract Documents:¹

The Contract shall consist of the following documents:

This Contract and the exhibits hereto;

The Application;

The Funding Request;

The Assessment Cost and Payment Summary;

The Notice of Assessment;

The Payment of Contractual Assessment Required;

The California HERO Program Report and the Commercial HERO Program Handbook; and

California HERO Program website located at www.wrcog.cog.ca.us.

¹ The List of Contract Documents may vary depending upon the financing plan being used for a particular parcel. In any event the terms of the Assessment Contract entered into for a particular parcel will govern if there is any conflict between such Assessment Contract and Appendix C.

Disbursement:

The Maximum Disbursement Amount is \$ _____. The Estimated Disbursement Date will be no later than \$ _____. _____

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based upon the following assumptions:

Agent disburses the Maximum Disbursement Amount to Owner.

Accumulated costs of funds until Owner's first payment of \$ _____ will be added to Owner's Disbursement Amount.

WRCOG disburses to Owner on the Estimated Disbursement Date. If the actual disbursement occurs prior to July 1, 20____, the Initial Tax Year shall be 20____-20____. The Assessment Interest Rate is %.

The Annual Percentage Rate (APR) of Owner's assessment is ____%. If the interest due before Owner's first payment of \$ _____ was paid in cash at disbursement, Owner's APR would be ____%. APR is the Effective Cost of Credit in consumer loans and real estate loans expressed as a percentage interest rate. The APR is the interest rate the borrower actually pays, including fees required in order to participate in the Program.

The total administrative fees and recording fees added to Owner's assessment is \$ _____.

Tax Year (commencing July 1)	Interest	Principal	Total Principal and Interest	Current Annual Assessment Administrative Fee	Total Annual Assessment Installment
20____- 20____ *					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					
20____- 20____					

20_ - 20__					
20_ - 20__					
20_ - 20__					
20_ - 20__					
20_ - 20__					
20_ - 20__					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date. Please see Section 8 b) and d) of the Assessment Contract.

Prepayment Fee and Prepayment Premium Schedule:

Processing Fee: The fee for processing the prepayment of the Assessment in whole or in part shall be \$_____.

Prepayment Premium: The prepayment premium applicable to the principal amount of the Assessment to be prepaid in whole or in part in increments of \$5,000 pursuant to Section 11 of the Assessment Contract shall be determined based upon the next interest payment date on the bond issued for the Assessment occurring not less than 90 days after the date of the prepayment (the "Next Bond Interest Payment Date"). The prepayment premium shall be the percentage of the principal amount of the Assessment to be prepaid as follows:

Next Bond Interest Payment Date	Prepayment Premium
September 2,____or March 2,_____	5%

Appendix F

NOTICE OF ASSESSMENT

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO**
Secretary to Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS1032
Riverside, CA 92501-3609

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

(Recorded Pursuant to California Streets & Highways Code section 5898.32)

NOTICE OF ASSESSMENT

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS LIMITED OBLIGATION IMPROVEMENT BONDS (CALIFORNIA HERO PROGRAM)

The Executive Committee of the Western Riverside Council of Governments ("WRCOG"), County of Riverside, State of California, approved a report (the "Program Report") prepared by the Executive Director, in accordance with Section 5898.22 of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), established the WRCOG California HERO Program (the "Program") to be implemented as provided in the Program Report, confirmed that voluntary contractual assessments may be levied against parcels within the jurisdictions of the member agencies of WRCOG participating in the Program (the "Program Area") within the parameters of the Program Report to finance certain distributed generation renewable energy sources, energy or water efficiency improvements, or electrical vehicle charging infrastructure (the "Improvements").

Pursuant to the requirements of Sections 5898.32 of the Streets and Highways Code, the undersigned Secretary of the Executive Committee of WRCOG, at the direction of such Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, WRCOG and the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is contained in Exhibit "B" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract, WRCOG is making a disbursement in the principal amount of \$ (the "Disbursement") to the Record Owners of the Property to finance the acquisition and installation and/or construction on the Property of the Improvements identified in the Assessment Contract. Pursuant to the Assessment Contract, the Record Owners agree that the Property is subject to an assessment levied against the Property pursuant to Chapter 29 in the principal amount of the Disbursement, as provided in the Assessment Contract, together with fees and interest thereon, for a total Assessment in the amount of \$ (the "Assessment") as set forth in the payment schedule on Exhibit "B" to the Assessment Contract. In addition, so long as the Assessment is unpaid, the Record Owners agree that the Property is subject to an annual administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and

from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the Assessment shall become a lien upon the Property. In addition, the Annual Administrative Assessment shall become a lien upon the Property at the same time as property taxes upon the Property become a lien each year.

Dated:

Western Riverside Council of Governments
Program Administrator

By: _____
Authorized Officer

EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Owner(s) Names:

Address:

APN(s):

County:

Legal Description:

A-1

**Appendix G PAYMENT OF
CONTRACTUAL ASSESSMENT REQUIRED**

RECORDING REQUESTED BY &
WHEN RECORDED RETURN TO:

Western Riverside Council of Governments

File No: _____

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Section 5898.24(d) of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG") hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the California HERO Program

(the "Program"), established and authorized pursuant to the Act. Pursuant to the Act and the

Program, WRCOG and the current owner(s) described below (the "Owners") of the real property (the "Property") described herein have entered into that certain assessment contract entitled, "Assessment Contract," dated as of _____, 20____, by and between WRCOG and the Owners (the "Assessment Contract"). Pursuant to the Assessment Contract and the Act, the Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of _____, on behalf of WRCOG, through the consolidated property tax bill.

Current Owner(s):_____.

Legal Description of Property and Assessor's Parcel Number: See Exhibit "A" attached hereto.

Annual Amount of Contractual Assessment: See Exhibit "B" attached hereto.

Expiration of the Contractual Assessment: The date upon which the Contractual Assessment and all accrued interest thereon, together with any applicable penalties, costs, fees and other charges, have been paid

Purpose for Which Funds Will Be Used: The funds from the Contractual Assessment to be paid to WRCOG or its designee and shall finance the acquisition and construction and/or installation on the Property of the renewable energy system(s), energy efficiency and/or water efficiency improvement(s) which are permanently affixed to the Property and identified in the Assessment Contract (the "Work").

Contact Information: More information regarding the Contractual Assessment may be obtained by contacting WRCOG at 3390 University Avenue, Suite 450 Riverside, CA 92501, tel: (951) 405-6700.

Dated:_____, 20____ Program

Administrator

**SCHEDULE OF ASSESSMENT INSTALLMENTS, INTEREST THEREON, AND THE
MAXIMUM ADMINISTRATIVE**

Tax Year	Interest	Principal	Total Loan Payment	Maximum Annual Administrative Assessment Expense	Total Maximum Contractual Assessment
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Appendix H

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO**

Secretary to Executive Committee
Western Riverside Council of
Governments
3390 University Avenue, Suite 450
Riverside, CA 92501

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

(This is a voluntary contractual assessment lien pursuant to Streets & Highways Code §5868.31 and recorded pursuant to Sts. & Hy. Code §5898.32 and is not subject to recorder fees per Gov't Code §27387)

**NOTICE OF ASSESSMENT
AND
PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED**

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS LIMITED
OBLIGATION IMPROVEMENT BONDS (CALIFORNIA HERO PROGRAM)**

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Sections 5898.24(d) and 5898.32 of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG"), County of Riverside, State of California, hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the WRCOG California HERO Program (the "Program"), established and authorized pursuant to the Act.

The Executive Committee of the WRCOG approved a report (the "Program Report") prepared by the Executive Director, in accordance with Section 5898.22 of the Act, established the Program to be implemented as provided in the Program Report, confirmed that voluntary contractual assessments may be levied against parcels within the jurisdictions of the member agencies of WRCOG participating in the Program (the "Program Area") within the parameters of the Program Report to finance certain distributed generation renewable energy sources, energy or water efficiency improvements, or electrical vehicle charging infrastructure (the "Improvements").

Pursuant to the requirements of Sections 5898.24(d) and 5898.32 of the Streets and Highways Code, the undersigned Secretary of the Executive Committee of WRCOG, at the direction of such Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, that:

1. **Record Owners and Legal Description of Property.** WRCOG and **John Smith**, the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is contained in Exhibit "C" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract and the Act, the Record Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of _____, on behalf of WRCOG, through the consolidated property tax bill.

2. **Purpose for Which Funds Will Be Used.** The funds from the Contractual Assessment will finance the acquisition and construction and/or installation on the Property of the renewable energy system(s), energy efficiency and/or water efficiency improvement(s) that are permanently affixed to the Property and identified in the Assessment Contract.

3. **Total and Annual Amount of Contractual Assessment.** Pursuant to the Assessment Contract, WRCOG is making a disbursement in the principal amount of \$ _____. (the

"Disbursement") to the Record Owners of the Property to finance the acquisition and installation and/or construction on the Property of the Improvements identified in the Assessment Contract. Pursuant to the Assessment Contract, the Record Owners agree that the Property is subject to an assessment levied against the Property pursuant to Chapter 29 in the principal amount of the Disbursement, as provided in the Assessment Contract, together with fees and capitalized interest thereon, for a total Contractual Assessment in the amount of \$ _____ as set forth in the payment schedule on Exhibit "B" attached hereto.

4. **Expiration of the Contractual Assessment.** So long as the Assessment is unpaid, the Record Owners agree that the Property is subject to an annual administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the Assessment shall become a lien upon the Property. In addition, the Annual Administrative Assessment shall become a lien upon the Property at the same time as property taxes upon the Property become a lien each year.

The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 3390 University Avenue, Suite 450 Riverside, CA 92501 (address), tel: (951)405-6700.

Date of
Assessment:
10/17/2014

Western Riverside Council of Governments Program Administrator

By: _____
Authorized Officer

EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Record Owner(s) Names: John
Smith

Address: 4141 Capital St, San Diego, CA 92115

APN(s): 123123124

County: San Diego

Legal Description:

THE FOLLOWING DESCRIBED REAL PROPERTY IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA: LOT 77, PARK VISTA UNIT NO. 2, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2900, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, AUGUST 20, 1952.

**EXHIBIT "B" THE ANNUAL ASSESSMENT ADMINISTRATIVE FEE
SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL, INTEREST
AND**

Tax Year	Current Annual Total Annual		
	Principal	Interest	Total Principal
	Administrative Assessment		
	Assessment and Interest Fee**		
	Installment		
2015-2016			
2016-2017			
2017-2018			
2018-2019			
2019-2020			
2020-2021			
2021-2022			
2022-2023			
2023-2024			
2024-2025			

**Subject to increase pursuant to the Assessment Contract.
--

EXHIBIT "C"
ASSESSMENT CONTRACT

Agreement to Pay Assessment and Finance Improvements

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM
(Twain Commercial PACE Program)**

Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM (Twain Commercial PACE Program)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this [] day of [], 2018, (the "**Effective Date**") by and between the Western Riverside Council of Governments, 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**") and is acknowledged and accepted by Twain Financial Partners Holding, LLC ("**Twain**" or the "**PACE Program Administrator**"), in its role as the Program Administrator.

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 Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") and the California HERO Program (the "**California Program**," collectively, with the WRCOG Program, "**Program**") to allow the financing of certain distributed generation renewable energy sources, energy and water efficiency improvements, electric vehicle charging infrastructure and seismic improvements (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 ("**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, the purpose and method of administration of the assessments under the Program are described in the WRCOG Program Report dated June 7, 2010, as such report has been and may be amended from time to time and the California Program Report originally dated June 3, 2013, as such report has been and maybe amended from time to time (collectively, the "**Program Report**") prior to the Effective Date of this Agreement; and

WHEREAS, the Authority executed an Administration Agreement with Twain to provide program administrative services to owners of commercial properties participating in the Twain Commercial PACE Program (the "**Twain Program**"), including but not limited to reviewing and approving application materials for proposed projects subject to compliance with the Program Report (a proposed project so approved, an "**Approved Project**"), processing all disbursement requests, including accepting disbursement request forms, reviewing submitted forms and attachments, and providing for the disbursement of funds for the Authorized Improvements; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner(s) 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, Chapter 29 provides that assessments levied under Chapter 29 and the interest and any penalties thereon constitute a lien against the lots and parcels of land on which

they are made, until they are paid, and Section 53935 of the California Government Code provides that the lien of assessments levied under Chapter 29 is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency; (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the assessment levied under Chapter 29; (c) easements constituting servitudes upon or burdens to the applicable parcel; (d) water rights, the record title to which is held separately from the title to the applicable parcel; and (e) restrictions of record; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the City of [], California (the “**City**”); and

WHEREAS, the Property is located in the boundaries of the City and the City has consented to (i) owners of property within its jurisdiction (the “**Participating Property Owners**”) participating in the 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, the Property Owner has submitted application materials including a description of the Authorized Improvements that will be acquired, constructed on and/or installed on the Property and are to be financed pursuant to the Twain Program and Twain has determined it is an Approved Project; 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 in Exhibit B (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 B on the Property.

Section 2. The Property. This Agreement relates to the real property identified in 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 as or on behalf of the Property Owner.

Section 3. Assessment and Lien.

(a) Pursuant to the terms of this Agreement, the Authority shall disburse funds, or cause funds to be disbursed, to or on behalf of the Property Owner in an amount equal to the total principal amount set forth on Exhibit C (the “**Financed Amount**”), of which \$[]

shall be for the actual cost of the design, approval, acquisition, construction, financing, and/or installation of the Improvements, (the "**Project Cost**"), and of which \$[] shall be for Authority and PACE Program Administrator fees and expenses ("**Financing Expenses**"). If the actual cost of the Improvements exceeds the Project Cost, the Property Owner shall be solely responsible for the payment of such excess costs.

(b) Interest shall accrue on the Financed Amount from the Effective Date at [](%) per annum until all outstanding obligations are paid in full. Interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year and applied to the actual number of days elapsed until the first Delinquent After Date (as specified in Exhibit C) occurs and thereafter between subsequent Delinquent After Dates regardless of when each Assessment Installment (as defined herein) is paid. Property Owner acknowledges and agrees that the calculation of interest on the basis described in the immediately preceding sentence may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

(c) The Property Owner agrees that upon the execution of this Agreement by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Agreement, Chapter 29 and other applicable law in an amount equal to the Financed Amount plus any administration fees, accrued interest and penalties thereon and any Non-Completion Assessment, if applicable (the "**Assessment**"). Upon execution of this Agreement, the Authority will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "**County**") a notice of assessment and payment of contractual assessment required (collectively, the "**Notice of Assessment**") as required pursuant to Chapter 29, together with a copy of this Agreement. The recordation of the Notice of Assessment will create a lien against the Property.

(d) The execution of this Agreement by the parties constitutes the levy of the Assessment by the Authority against the Property without any further action required by the parties.

(e) The Property Owner hereby promises to pay the Assessment for a period of [] years annually, in two installments (each such installment, an "**Assessment Installment**"), as permitted by the County tax collector, together with any Annual Assessment Administrative Fees as defined in paragraph (f) below, on the due dates set forth in Exhibit C hereto (the "**Assessment Schedule**"). The Property Owner agrees to pay each Assessment Installment by its due date in order to avoid delinquencies and related penalties.

(f) The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Twain Program rules or the Program rules, or the Property Owner otherwise fails to meet the financing conditions established by the Authority. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds and (ii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the

Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(g) The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an Assessment Installment each year in order to pay for the costs of collecting and administering the Assessment (the “**Annual Assessment Administrative Fees**”). The maximum Annual Assessment Administrative Fee shall not exceed \$500.00 in the tax year commencing on July 1, 2019. The Annual Assessment Administrative Fee shall thereafter be adjusted annually commencing on July 1 of each subsequent tax year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all urban consumers applicable to the West Census Region or comparable index. The PACE Program Administrator shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

(h) The Assessment shall constitute a lien upon the Property until paid. Failure to pay any Assessment Installment, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, the Authority has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 4(d) below.

Section 4. Collection of Assessment; Other Remedies.

(a) The Assessment Installments shall be collected on the property tax bill pertaining to the Property. The Assessment Installments shall be payable in the same manner and at the same time as the general taxes of the County on real property are payable, and shall be payable and become delinquent at the same times and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) The Assessment Installments shall commence on the due dates set forth in the Assessment Schedule (Exhibit C).

(c) The lien of the Assessment (the “Assessment Lien”) shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except: (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency; (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment; (iii) easements constituting servitudes upon or burdens the Property; (iv) water rights, the record title to which is held separately from the title to the Property; and (v) restrictions of record.

(d) The Property Owner acknowledges that if any Assessment Installment is not paid when due, the Authority has the right to have the delinquent Assessment Installment and its 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 Assessment Installments, associated penalties and interest, and all costs of such action, 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 such bonds, to exercise its foreclosure rights with respect to delinquent Assessment Installments under specified circumstances. Additionally, if no action is taken by the Authority and the Property Owner remains delinquent on the payment of any Assessment Installment for a period of five (5) years, the County in which the Property is located may commence foreclosure proceedings.

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) The Authority hereby approves the disbursement of funds against the Financed Amount subject to the provisions of this Section. The funds will be disbursed by the Trustee on behalf of the Authority, pursuant to the terms of this Agreement and applied by Property Owner to pay for the Improvements.

(b) Notwithstanding anything to the contrary contained herein, the PACE Program Administrator's obligation to disburse any of the Project Cost to Property Owner or their contractor ("**Contractor**") shall be subject to satisfaction of the following conditions precedent, in the PACE Program Administrator's sole discretion, unless the PACE Program Administrator receives an executed Disbursement Agreement, as set forth in Exhibit Dhereof.

Section 6. Prepayment of the Assessment.

The outstanding principal balance of the Financed Amount may be prepaid, in whole or in any amount of at least \$5,000, at any time upon the payment of (i) the whole or a portion of the outstanding balance of the Financed Amount, (b) the accrued but unpaid interest on the outstanding balance of the Financed Amount through the prepayment date or through the redemption date of Improvement Bonds issued to finance the Assessment, as applicable, and (c) a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to the schedule of prepayment premiums set forth in Exhibit F hereto. In addition, prepayment costs may also include any applicable recorder's fees, trustee fees, and other related charges incurred by the Authority in connection with the processing of the prepayment.

Section 7. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(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) Property Owner shall not, without the express written consent of the Authority and the PACE Program Administrator, in their sole discretion, by act or omission impair the integrity of the Property as a single, separate, subdivided and zoned lot (as applicable) separate and apart from all other property, if any, owned by Property Owner. Property Owner hereby acknowledges that, in the event a subdivision of the Property is approved by the Authority and PACE Program Administrator while the Assessment remains unpaid, the Assessment will be assigned to each of the newly created parcels on a per acre

basis unless the Authority, at the direction of the owners of a majority of any Improvement Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment. Notwithstanding the foregoing, for the portion of the Property identified as Parcel S on Exhibit H attached hereto (the "Subdivision Parcel") no written consent of the Authority and the PACE Program Administrator shall be required so long as the Property Owner provides notice of the proposed subdivision, within five days of approval of the subdivision, to the Authority and the PACE Program Administrator in a form substantially similar to the one attached as Exhibit I.

Section 8. 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.

Section 9. Representations and Warranties of Property Owner. Property Owner represents and warrants to the Authority and PACE Program Administrator as follows, which representations and warranties shall be true and correct as of the date of this Agreement and at all times thereafter until the Assessment has been repaid in full:

(a) Corporate Existence; Qualification. Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of California.

(b) Authorization; Enforceable Obligations.

(i) Property Owner has all necessary power and authority to own the Property and to conduct its business and enter into the transactions contemplated hereby. Property Owner has the right to enter into and perform this Agreement and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute valid and binding obligations of Property Owner, each enforceable in accordance with its respective terms.

(ii) No consent or authorization of, filing with, notice to or other act by or in respect of any governmental authority (Federal, State or Local) or any other person is required to be obtained by the Property Owner in connection with (1) the financing hereunder, (2) the execution, delivery, validity or enforceability of this Agreement or any related documents, or (3) the performance of this Agreement, except, in each case, for routine consents, authorizations, filings and notices required to be made in the ordinary course of business.

(iii) The Property Owner has secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in the Property Owner or the Property.

(c) No Legal Bar. The execution, delivery and performance of this Agreement or any related documents by the Property Owner, the financing hereunder and the use of the proceeds thereof will not violate any applicable law, the Property Owner's organizational documents or any material agreement of the Property Owner.

(d) Financial Statements. All financial statements delivered to the Authority and the PACE Program Administrator are true and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable

to the Authority) consistently applied, fairly represent the financial condition of Property Owner as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

(e) No Litigation. There are no actions, suits, claims or proceedings pending, or to the knowledge of Property Owner threatened, against or affecting it or the Property which could materially adversely affect Property Owner, its financial condition, any of its properties (including the Property), or the construction of the Improvements or which may impair Property Owner's ability to satisfy its obligations under this Agreement.

(f) Title. Property Owner has good, marketable and insurable title to the Property subject only to real property taxes, pari passu assessment liens of record, and the permitted encumbrances approved by the Authority and the PACE Program Administrator and set forth in Exhibit E attached hereto ("Permitted Encumbrances").

(g) Compliance with Laws. Property Owner has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body (collectively, the "Permits") necessary for (a) the installation and construction of the Improvements in accordance with the plans and specifications submitted by Property Owner; (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Property, either (i) have been obtained, are valid, are in full force and effect and have been complied with by the Property Owner in all respects; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of construction, and Property Owner will be in compliance therewith in all respects prior to the PACE Program Administrator's disbursing any of the funds. Construction and installation of the Improvements will comply with applicable zoning, use, building or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

(h) Marijuana and Environmental Matters. Property Owner does not and will not engage (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, pursuant to applicable state law, or any other federal, state or local environmental laws or regulations, and, to the best of Property Owner's knowledge, after due inquiry, neither the Property nor any other of its buildings thereon has been so used previously, except as previously disclosed in writing to and approved by the Authority and the PACE Program Administrator. There are no underground storage tanks located on the Property. There is no present and to the best of Property Owner's knowledge there has been no past, non-compliance with environmental laws, or with permits issued pursuant thereto, in connection with the Property, which has not been fully remediated in accordance with environmental laws.

(i) No Default. No Default (as defined herein) has occurred hereunder, and no event has or shall have occurred and be continuing, which, with the lapse of time or the giving of notice, or both, would constitute a Default. No foreclosure action is currently threatened or has been commenced with respect to the Property. Property Owner is not currently in default on any mortgage or deed of trust loan(s) secured by the Property.

(j) No Misrepresentation or Material Nondisclosure. Property Owner has not made and will not make to the Authority or to the PACE Program Administrator, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading. All information provided by Property Owner to the Authority or to the PACE Program Administrator in writing or in electronic form is complete, true and correct in all material respects.

(k) Approval of Plans and Budgets. The plans and specifications submitted by the Property Owner to the Authority and the PACE Program Administrator and approved thereby (the “**Plans**”) will be a true and accurate reflection of the Improvements (when completed) and have been approved as required by all governmental bodies or agencies having jurisdiction or will be approved prior to the first disbursement request. The budget for construction of the Improvements (the “**Budget**”) submitted by the Property Owner to the Authority and the PACE Program Administrator is an accurate current estimate of all costs necessary to construct the Improvements in accordance with the Plans and the cost of construction of the Improvements on any portion thereof is not expected to exceed the cost therefor set forth in the Budget.

(l) Commercial Purpose. Property Owner will use the proceeds from the disbursements of funds for the Improvements only for the purposes specified in the Recitals to this Agreement. The primary purpose of the funds disbursed pursuant to this Agreement is for a commercial and business purpose, and said funds will not be used primarily for personal, family or household purposes.

(m) Improvements. The proposed Improvements are consistent with the purpose of the Program.

(n) Incorporation of Representations and Warranties. The request by Property Owner for a disbursement shall constitute a certification by Property Owner that the representations and warranties contained herein are true and correct as of the date of such request.

(o) Insolvency Event. No Insolvency Event shall have occurred or shall be continuing with respect to the Property Owner. Property Owner is not aware of any circumstances or conditions with respect to the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien that could reasonably be expected to materially and adversely affect any of the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien. For purposes hereunder, “**Insolvency Event**” shall mean the Property Owner has (i) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding or of relating to the Property Owner or relating to all or substantially all of such Property Owner’s property, (ii) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days of the event; (iii) admitted in writing its inability to pay its debts as they become due, (iv) filed a petition to take advantage of any applicable insolvency or reorganization statute, (v) made an assignment for the benefit of its creditors, (vi) had filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days, or (vii) or voluntarily suspended payment of its obligations.

(p) Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property or Improvements has taken place on the part of the

Property Owner or any other person, including, without limitation, to the best of Property Owner's knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other party involved in the Property or Improvements, that would impair in any way the rights of the Authority in the Property or Improvements or that violated applicable law.

(q) No Damage/Condemnation. The Property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Property or the use for which the Property was intended and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. There is no proceeding pending or, to the knowledge of the Property Owner, threatened for the total or partial condemnation of the Property.

(r) Legally Occupied. With respect to the Property lawfully occupied as of the date hereof, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

Section 10. Covenants Of Property Owner.

The Property Owner covenants and agrees as follows:

(a) Completion and Maintenance of the Improvements. The Property Owner shall commence construction of the Improvements and shall diligently proceed with construction in accordance with the approved Plans and Budget in a good, substantial and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the completion date set forth in the Construction Contract. If, in the Authority's opinion, after thirty (30) days' written notice to Property Owner, the construction is not proceeding with reasonable dispatch, the Authority may (i) request that Property Owner remove and replace the general contractor with a general contractor acceptable to the Authority, the failure of which by Property Owner shall be a default under this Agreement, (ii) utilize funds and continue construction of the Improvements and such funds shall be considered disbursements of the Financed Amount, or (iii) deny any disbursements of the Financed Amount until such time as the construction resumes proceeding with reasonable dispatch.

(b) Changes to Construction Contract. There shall be no material revision to the Construction Contract, Plans or Budget without the prior written approval of the Authority and the PACE Program Administrator, whose consent shall not be unreasonably withheld. If the cost of construction of the Improvements or any portion thereof exceeds the cost therefor set forth in the approved Budget, the Property Owner shall immediately deposit with the Authority the deficiency between such budgeted cost and the actual cost.

(c) Payment of the Financing. The Property Owner shall pay punctually the Assessment Installments on this Agreement on each due date according to its terms and conditions and shall pay punctually any other amounts that may become due and payable to the Authority under or pursuant to the terms of this Agreement, regardless of whether or not the Assessment Installments appear on the Property Owner's property tax bill.

(d) Payment of All Charges. The Property Owner shall pay when due all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the

Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other charges levied on or against the Property, and upon written request, submit to the Authority evidence of such payments.

(e) Compliance with Law and Agreements. In commencing and completing the Improvements, Property Owner shall comply with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.

(f) Permits, Licenses and Approvals. Property Owner shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from any governmental authority in order to commence and complete the Improvements. Property Owner, upon the request of the Authority or the PACE Program Administrator, shall deliver within fifteen (15) days, copies of all such permits, licenses and approvals to the Authority or the PACE Program Administrator.

(g) Site Visits. Property Owner grants the Authority and the PACE Program Administrator, their agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Property Owner, for the purposes of observing the Improvements. The Authority and the PACE Program Administrator, their agents and representatives will make reasonable efforts during any site visit to avoid interfering with Property Owner's use of the Property. Property Owner shall also allow Authority or the PACE Program Administrator to examine and copy records and other documents of Property Owner which relate to the Improvements. The Authority and the PACE Program Administrator are under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and the Authority and the PACE Program Administrator shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the Authority or the PACE Program Administrator shall be solely for the purposes of protecting the PACE Program Administrator and the Authority's rights under the Agreement.

(h) Protection against Lien Claims. The Property Owner shall promptly pay and discharge all claims for labor performed and material and services furnished in connection with construction of the Improvements, and take all other steps necessary to prevent the assertion of claims or liens either against the Property or the Improvements, other than (i) the claims and lien provided herein, (ii) all liens, encumbrances and other matters expressly set forth in Exhibit E, (iii) liens, if any, for taxes imposed by any governmental authority not yet due or delinquent, and (iv) such other title and survey exceptions as the PACE Program Administrator has approved or may approve in writing in the PACE Program Administrator's sole discretion.

(i) Notice of Claims; Adverse Matters. Property Owner shall promptly notify the Authority and the PACE Program Administrator in writing of any potential Insolvency Event and all pending or threatened litigation or other matters that may materially and adversely affect the Property or Property Owner's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

(j) Damage or Destruction. Property Owner shall promptly notify the Authority and the PACE Program Administrator if the Property is damaged or destroyed by fire,

casualty, injury or any other cause (each such occurrence, a "Casualty"). The PACE Program Administrator shall have no obligation to make additional disbursements upon the occurrence of a Casualty. Upon the occurrence of such Casualty, the insurance proceeds will be applied to repayment of the total outstanding principal due and owing under this Agreement plus any applicable fees, unless the Authority and the PACE Program Administrator agree in their commercially reasonable discretion to the application of the insurance proceeds to the restoration of the Improvements. In the event restoration of the Improvements is permitted, Property Owner shall immediately proceed with the restoration thereof in accordance with the Construction Contract and Plans. If, in the Authority and PACE Program Administrator's commercially reasonable judgment, said insurance proceeds are insufficient to complete the restoration, Property Owner shall deposit with the PACE Program Administrator an amount necessary, in the Authority and PACE Program Administrator's sole judgment, to complete the restoration in accordance with the Plans and Construction Contract.

(k) Notice of Default. Property Owner shall notify in writing the Authority and the PACE Program Administrator within fifteen (15) days of any Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

(l) Changes to Ownership. Property Owner shall, prior to completing construction of the Improvements, preserve and keep in full force and effect its existence and retain title to the Property. After completion of the Improvements, Property Owner shall not transfer ownership of the Property without (a) prior written notice to the Authority and the PACE Program Administrator, and (b) execution by the purchaser of the Property of an assignment of this Agreement in the form of Exhibit G.

(m) Insurance. Property Owner shall maintain in force, and provide evidence thereof when requested by the Authority and the PACE Program Administrator, the insurance required by Section 9(k) of this Agreement throughout the term of the Assessment.

(n) Condemnation. If the Improvements or the Property or any part thereof are taken temporarily or permanently by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**"), or are subject to an imminent threat of Condemnation, the PACE Program Administrator's obligation to make further disbursements hereunder shall immediately terminate unless, in the Authority and the PACE Program Administrator's sole judgment, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If the Authority and the PACE Program Administrator so decide that the Improvements can be so restored, then the rights and obligations of the PACE Program Administrator, the Authority and the Property Owner subsequent to a taking by Condemnation or imminent threat thereof and the disbursement of any Condemnation proceeds actually paid to the Authority and undisbursed funds hereunder, shall be the same as described in the Section 10(j) hereof with regard to insurance proceeds.

(o) Indemnification.

(i) Without limitation of any other obligation or liability of the Property Owner or any right or remedy of the Authority contained herein, the Property Owner agrees to indemnify, defend, protect and hold harmless the Authority and PACE Program Administrator,

as well as each of the respective directors, officers, employees, agents, subsidiaries and affiliates, and the successors and assigns of the foregoing (each, a "Person"), from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, fines, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any such indemnified Person (except any of the foregoing to the extent it results from the gross negligence or willful misconduct of the indemnified Person) (collectively, the "Indemnified Amounts") on account of or in relation to or in any way in connection with (i) any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, or any other documents executed or delivered in connection herewith or therewith, all as the same as may be amended from time to time, or any action taken or omitted to be taken by any Person in connection with or under any of the foregoing, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement or any such other documents are ultimately consummated, (ii) any violation or alleged violation of, non-compliance with or liability under any requirements of law or regulation, (iii) ownership of, liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (iv) any taxes attributable to the execution, delivery, filing or recording of any this Agreement, or any other documents executed or delivered in connection herewith or therewith or any memorandum of any of the foregoing, (v) any lien or claim arising on or against the Property under any requirements of law or any liability asserted against any Person with respect thereto, (vi) (1) a past, present or future violation or alleged violation of any environmental laws in connection with the Property by any person or other source, whether related or unrelated to Property Owner, (2) any presence of any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any environmental law ("Materials of Environmental Concern") in, on, within, above, under, near, affecting or emanating from the Property, (3) the failure to timely perform any investigation, inspection, site monitoring, containment, clean-up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release (defined below) or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of the Property of any Materials of Environmental Concern, including any action to comply with any applicable environmental laws or directives of any governmental authority with regard to any environmental Laws, (4) any past, present or future activity by any person or other source, whether related or unrelated to Property Owner in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting the Property, (5) any past, present or future actual generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of the Property (a "Release") (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting the Property by any person or other source, whether related or unrelated to Property Owner, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any lien on the Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any environmental law, or (7) any misrepresentation or failure to perform any obligations pursuant this Agreement, or any other documents executed or delivered in

connection herewith or therewith to environmental matters in any way, or (vii) Property Owner's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 10(o), that, in each case, results from any conduct, act or failure to act by the Property Owner or its affiliates or related parties or the use or intended use of the proceeds of any disbursements made pursuant to this Agreement. To the extent that the undertaking to indemnify and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Property Owner shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all liabilities set forth in the preceding sentence incurred by any Person. In the case of an investigation, litigation or other proceeding to which the indemnification in this Section 10.(o) applies, such indemnification shall be effective whether or not such investigation, litigation or proceeding is brought by Property Owner, a Person or any other person or any Person is otherwise a party thereto and whether or not any transactions contemplated by this Agreement are entered into. In any investigation, proceeding or litigation, or the preparation therefor, the Authority shall select its own counsel and, in addition to the foregoing indemnity, the Property Owner agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, the Property Owner shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense, provided that such counsel shall be reasonably satisfactory to the Authority. This section shall survive the execution, delivery, performance and repayment of this Agreement, and the extinguishment of any Assessment Lien.

(ii) If for any reason the indemnification provided in this Section 10.(o) is unavailable to any Person or is insufficient to hold a Person harmless, even though such Person is entitled to indemnification under the express terms thereof, the Property Owner shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Person on the one hand and Property Owner on the other hand, the relative fault of such Person, and any other relevant equitable considerations.

(iii) A Person may at any time send Property Owner a notice showing in reasonable detail the basis for and calculation of Indemnified Amounts, and Property Owner shall pay such Indemnified Amounts to such Indemnified Person within fifteen (15) days after Property Owner receives such notice. The obligations of Property Owner under this Section 10(o) shall apply to assignees and survive the termination of this Agreement.

(iv) Neither the Authority nor the PACE Program Administrator shall have any liability to the Property Owner or any other person on account of (i) the Property Owner engaging a contractor from the list of contractors submitted by the Authority or the PACE Program Administrator to the Property Owner, (ii) the services performed by the Contractor, or (iii) any neglect or failure on the part of the Contractor to perform or properly perform its services. Neither the Authority nor the PACE Program Administrator assumes any obligation of the Property Owner concerning Contractor, the quality of construction of the Improvements or the absence therefrom of defects. The authorization by the Authority of a disbursement shall not constitute the Authority's approval or acceptance of the construction theretofore completed. The Authority's inspection and approval of the Budget, the construction work, the Improvements comprising the Improvements, or the workmanship and materials used therein, shall impose no liability of any kind on the Authority, the sole obligation of the Authority as the result of such inspection and approval being to authorize the disbursements if, and to the extent, required by this Agreement. Any disbursement authorized by the Authority without the Authority having received each of the items to which it is entitled under this Agreement shall not constitute

breach or modification of this Agreement, nor shall any written amendment to this Agreement be required as a result thereof.

(p) Financial Statements. No later than 120 days after the end of each fiscal year of the Property Owner, the Property Owner shall provide copies of its annual financial statements to the Program Administrator.

Section 11. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment 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 hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the 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 Owner will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated, maintained or perform 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 the Authority, the City and the PACE Program Administrator have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the City, the PACE Program Administrator and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority. the City and the PACE Program Administrator 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 Authority, the City, the PACE Program Administrator and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the City or the PACE Program Administrator.

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: _____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Agreement.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

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

Section 14. Events of Default and Remedies

(a) Remedies with respect to the nonpayment of the Assessment or other amounts payable by Property Owner hereunder are governed by the provisions of Section 4 hereof and state law.

(b) The occurrence of any of the following events shall constitute a "Default" hereunder:

(i) Any of Property Owner's representations, disclosures or warranties made to the Authority or the PACE Program Administrator shall have been false or misleading in any material respect as of the date when made, or the failure or delay by Property Owner to perform any of its obligations under the terms or provisions of this Agreement, other than with respect to the payment of the Assessment, the Annual Assessment Administrative Fees, or other amount payable by Property Owner.

(ii) An Insolvency Event occurred with respect to the Property Owner or the Property Owner becomes insolvent or unable to pay its debts as they mature and such has not been cured within thirty (30) days of the event;

(iii) There occurs any event which in the Authority's sole discretion materially and adversely affects: (x) the ability of the Property Owner to perform any of its obligations hereunder; (y) the business or financial condition of the Property Owner; or (z) the timely repayment of the Assessment authorized by this Agreement, which Property Owner has not cured within thirty (30) days of receiving notice from the Authority of such breach;

(iv) Any encumbrance on any portion of the Property is hereinafter created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the Assessment Lien;

(v) The existence of any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to the Authority's sole approval) or bonded for thirty (30) days after the filing or recording thereof;

(vi) Any material deviation in the Improvements from the Plans without the prior written consent of the PACE Program Administrator, or the appearance of defective workmanship or materials, the PACE Program Administrator's sole discretion, which has not been cured for a period exceeding thirty (30) days; and

(vii) Any general contractor or any other contractor defaults under any construction contract, in a manner which the PACE Program Administrator deems to be material, and unless otherwise agreed in writing by the PACE Program Administrator, the obligor fails to exercise its rights and remedies under the construction contract, as applicable with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of when such right first arose.

(c) Upon the occurrence of a Default, the Authority may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any of the following actions:

(i) The Authority may, in addition to any other remedies which it may have, at its option and without prior demand or notice, immediately cause the cancellation of any pending disbursement (and the PACE Program Administrator shall have no obligation to make further disbursements) and from time to time apply all or any part of any undisbursed funds to payment of amounts owing on the Assessment and/or to any other obligations of the Property Owner hereunder. The Authority has authorized the PACE Program Administrator at its option and without prior demand or notice, to enter the Property and complete construction of the Improvements in accordance with the Plans and the Construction Contract with such changes therein as the PACE Program Administrator may from time to time and in its judgment deem appropriate, all at the risk and expense of the Property Owner.

(ii) The Authority may foreclosure proceedings against the Property upon determination by the Authority that the Property is delinquent in the payment of one or more Assessment Installments.

(iii) Exercise any other rights and remedies available to it hereunder or at law or in equity

(iv) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of a Default.

(v) Property Owner agrees to pay all costs of collection when actually incurred, by the Authority, including but not limited to reasonable attorneys' fees and all related costs. If any suit or action is instituted to enforce this Agreement, Property Owner promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees and costs in such suit or action to the Authority as the prevailing party

Section 15. Amendment. This Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 16. 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.

(a) The Authority has the right to assign any or all or any of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment 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 lien or the right to enforce the collection of the Assessment or any installment thereof against the Property. Any assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Authority hereunder to the extent that such rights and obligations have been assigned by the Authority pursuant to the assignment documentation between the Authority and the assignee. The Authority may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

(b) In no event shall Property Owner assign or transfer any portion of this Agreement or Property Owner's obligations under this Agreement without the prior express written consent of the Authority, which consent may be granted or withheld in the sole and absolute discretion of the Authority. Sale, transfer, or rental of the Property or any parcel thereof is not an assignment or transfer of this Agreement.

Section 17. 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 18. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 19. Notices. Notices and demands shall be given in writing by first class mail, postage prepaid, by personal delivery (by recognized courier service or otherwise), or via electronic mail. Notices shall be considered given upon the earlier of (a) receipt of electronic mail or personal delivery or (b) five (5) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice. Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

If to Authority:

Western Riverside Council of Governments
3390 University Avenue, 4th Floor
Riverside, CA 92501

Attention: Executive Director

If to Program Administrator:

Twain Financial Partners Holding, LLC
1232 Washington Avenue, Suite 200
Saint Louis, MO 63103

If to Property Owner:

[]

Section 20. 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 21. 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 Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided bylaw.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. No Waiver; Amendments. No waiver of any default or breach by Property Owner hereunder shall be implied from any failure by the PACE Program Administrator or the Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Property Owner and the Authority. 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 reasonable be required in order to carry out the expressed intention of this Agreement

Section 24. Waiver of Jury Trial and Class Action. TO THE EXTENT ENFORCEABLE BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By:_____

Its:_____

PROPERTY OWNER

By:_____

Its:_____

ACKNOWLEDGED AND ACCEPTED BY:

TWAIN FINANCIAL PARTNERS HOLDING, LLC

By:_____

Its:_____

STATE OF CALIFORNIA

COUNTY OF _____

STATE OF CALIFORNIA

COUNTY OF _____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

[To be updated]

EXHIBIT B
IMPROVEMENTS¹

IMPROVEMENT	AMOUNT

¹ To be updated/customized.

EXHIBIT C ASSESSMENT

SCHEDULE

Period	Bill date	Delinquent After Date	Payment	Interest	Principal	Principal Remaining	Annual Collection Costs**	Total Payment Due
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								

**Subject to modification pursuant to Section 3(f) of the Agreement.

EXHIBIT D

DISBURSEMENT AGREEMENT

THIS DISBURSEMENT AGREEMENT (this "Agreement") dated as of _____ (the "Closing Date"), is entered into by and between _____, a _____ (together with its successors or assigns, "Property Owner"), and TWAIN COMMUNITY PARTNERS II LLC, a Missouri limited liability company (together with its successors, assigns, nominees or designees, "Capital Provider") for the disbursement of funds for the construction and installation of Qualified Improvements (the "Project") in the Building located at _____ (including the improvements thereon and the Project, collectively the "Property Owner"), as more fully set forth in that certain (i) Agreement to Pay Assessment and Finance Improvements [Insert 2] by and between Western Riverside Council of Government ("WRCOG") and Capital Provider, dated on or about the date hereof (the "Financing Agreement") documents executed or delivered in connection therewith, as may be amended, supplemented or modified. Capitalized terms not otherwise defined herein have shall the meanings given to such terms in the Financing Agreement.

1. Disbursement Account and Disbursement of Funds. On the Closing Date, Capital Provider shall advance to the Disbursing Account funds equal to _____ (the "Funds") in a deposit account (the "Disbursing Account") at U.S. Bank National Association, controlled by Capital Provider. Capital Provider shall maintain the Disbursing Account as a separate and distinct account that will only hold the Funds and no other funds. The Funds shall be held in the Disbursing Account to be disbursed (each a "Disbursement") from time to time to pay for (i) the cost of installing the Qualified Improvements, as set forth on Exhibit C attached to this Agreement (the "Budget"), and (ii) certain soft costs and capitalized interest pursuant to the terms of this Agreement and the Financing Agreement.

2. Disbursements.

A. Closing Date Disbursement. On the date hereof, and in connection with the Financing Agreement, Capital Provider shall cause the amounts set forth on Exhibit A to be disbursed to the payees listed on Exhibit A.

B. Conditions to All Disbursements. Capital Provider's obligation to make any Disbursements shall be subject to the prior fulfillment by Property Owner of the following conditions:

(i). Conditions in Financing Agreement. All of the conditions for disbursements set forth herein and in the Financing Agreement shall have been satisfied.

(ii). Disbursement Request. At least ten full business days prior to each such disbursement, Capital Provider shall have received a Written Request for Disbursement (a "Request for Disbursement") in the form of Exhibit B attached hereto, with all supporting documentation, as applicable, signed by Property Owner. Each Request for Disbursement shall be accompanied by lien waivers for the Project for work performed up to the date of the Disbursement. Capital Provider may withhold from the Financing proceeds 10% of the amount owed to any party who has a potential lien against the Project. All withheld funds shall be released when all of the conditions in Section 2.C. of this Agreement

have been completed.

(iii). No Damage. There shall be no substantial unrepaired damage to the Project by fire or other casualty.

(iv). No Condemnation. There shall be no condemnation or eminent domain proceeding pending or threatened against all or any portion of the Property, the Building (as defined in the Financing Agreement) or otherwise affecting or relating to the Project.

(v). No Default or Event of Default. No Default or Event of Default shall exist on the date of each such Disbursement, and, if requested by Capital Provider, Capital Provider shall have received a certificate to that effect dated the date of each such Disbursement and signed by Property Owner.

(vi). Requirements of Financing Agreement. Property Owner shall be in compliance with all other requirements, conditions and covenants of the Financing Document.

(vii). Additional Requirements. Capital Provider shall have received such other information, documents and opinions as it may reasonably require.

C. Final Disbursement Request. In the case of the final Disbursement for the completed Project, all of the conditions in Section 2.B shall have been met and, in addition, Capital Provider shall have received or taken the following actions, unless waived in writing by Capital Provider:

(i). Completion of Project. A statement from Property Owner certifying that the Project has been completed in accordance with the terms of the Construction Contracts (as defined in the Financing Agreement), free and clear of all liens.

(ii). Inspection by Capital Provider. Capital Provider or its representative shall have, at Capital Provider's sole option, inspected the Property to confirm, in Capital Provider's sole discretion, the completion of the Project in accordance with the terms of the Construction Contracts.

D. Approval or Denial. Within ten (10) Business Days after receiving a Request for Disbursement, Capital Provider shall: (i) ascertain whether all conditions to a Disbursement set forth in this Agreement and the Financing Agreement have been satisfied; and (ii) approve or deny, in whole or in part, the Request for Disbursement.

(i). Denial of Request. If Capital Provider denies such Request for Disbursement, Property Owner shall promptly rectify all deficiencies identified by Capital Provider and/or provide to Capital Provider all additional documents and other information Capital Provider deems necessary for approval of such Request for Disbursement.

(ii). Approval of Request. If Capital Provider approves such Request for Disbursement, in whole or in part, Capital Provider shall make the Disbursement only for the payment of [Qualified Improvements] as set forth in

such approved Request for Disbursement.

E. Capitalized Interest. An amount equal to \$_____, held in the Disbursement Account as capitalized interest included in the Financing from the effective date of the Financing Agreement through_____shall be payable to Capital Provider, and Property Owner hereby directs Capital Provider to disburse such amount from the Disbursement Account to Capital Provider on_____.

F. Excess Funds; Failure to Close. In the event Property Owner fails to draw down the full amount of the Funds, Property Owner agrees such excess Funds shall be retained by Capital Provider in the Disbursing Account and redirected to payments of the next [Installment].

3. Misstatements; Retainage. If Capital Provider discovers a misstatement or deficiency in any of the documents provided by Property Owner, it shall stop all Disbursements (not yet completed) until (a) Capital Provider has reasonably determined the misstatement has been corrected or (b) Property Owner has cured such deficiency in Capital Provider's sole discretion, as applicable.

4. No Third Parties. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5. Project Cost Increases. If at any time (and from time to time) Property Owner determines that the undisbursed Funds will not be sufficient to complete and pay for the completion of the Project in compliance with the Construction Contracts, Property Owner shall immediately notify Capital Provider and, prior to Capital Provider approving any further Requests for Disbursements, Property Owner shall certify to Capital Provider that (i) Property Owner will have sufficient sources to complete the Project in compliance with the Construction Contracts and (ii) Capital Provider will not be required to advance any additional funds for the Project's completion.

6. Limitation of Duties. Except as set forth in the Financing Agreement, the functions and duties assumed by Capital Provider include only those described in this Agreement, and Capital Provider is not obligated to act except in accordance with the provisions of this Agreement and the Financing Agreement.

7. Inspections. Capital Provider has the option to make inspections of the Project during the course of construction, and shall determine to its own satisfaction that the work done or materials supplied by any contractor, subcontractor and suppliers have been properly made or supplied in accordance with applicable contracts. Capital Provider shall not be required to conduct any inspections of the Project, but if Capital Provider chooses to make such inspections they are for the sole benefit of Capital Provider.

8. Limitation of Liability. Capital Provider (nor its members, managers, officers, employees or agents) shall have any liability to Property Owner or any other party with respect to any decision, approval or consent made or provided by such parties in reliance, in whole or in part, on the documents submitted by or on behalf of Property Owner pursuant to this Agreement or any other Financing Document or on representations made by Property Owner in connection with a Request for Disbursement, and no decision, approval or consent by Capital Provider shall

be deemed to be an approval or acceptance by Capital Provider of any plans, specifications, work or materials done or furnished, or equipment or property purchased, with respect to the Project, or a representation by Capital Provider as to the fitness of such plans, specifications, work, materials, equipment, or property.

9. Notice to Capital Provider. Property Owner agrees to advise Capital Provider promptly in the event that it receives any lien notice or intention to claim a lien from any contractor, subcontractor, or material suppliers in connection with the construction.

10. Relationship. Capital Provider is not a partner with Property Owner or any other party in the construction of the Project. Capital Provider shall not in any way be liable or responsible by reason of the provisions hereof, or otherwise, for the payment of any claims growing out of the operation of the Project or any portion thereof.

11. Amendments. No amendment, modification, termination or waiver of any provisions of this Agreement shall be effective unless in writing and signed by each of the parties to this Agreement.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (without regard to the conflict of laws provisions) of the State of _____.

13. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY TO THIS AGREEMENT REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER AND SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Property Owner has executed this Agreement as of the day and year first above-written.

PROPERTY OWNER:

IN WITNESS WHEREOF, Capital Provider has executed this Agreement as of the day and year first above-written.

CAPITAL PROVIDER:

TWAIN COMMUNITY PARTNERS II LLC, a
Missouri limited liability company

By: _____

Name: Stephanie Deterding

Title: Vice President

EXHIBIT A

Closing Date Disbursements

FEE AND EXPENSES	AMOUNT	PAYEE
Program Fee	\$	
Finance Fee	\$	
Twain Legal	\$	
Program Legal	\$	

EXHIBIT B

Form of Draw Request

Request No. _____ Date: _____

WRITTEN REQUEST FOR DISBURSEMENT

To: TWAIN COMMUNITY PARTNERS II LLC

Pursuant to that certain Disbursement Agreement dated as of _____, 2019 (the "Disbursement Agreement"), by and among [_____] ("Property Owner") and TWAIN COMMUNITY PARTNERS II LLC, a Missouri limited liability company (together with its successors and/or assigns "Capital Provider"), the undersigned hereby request on behalf of Property Owner the disbursement of Funds from the Disbursing Account (as defined in the Disbursement Agreement) an amount equal to \$_____, as detailed on the Schedule of Payments Requested, attached hereto as Attachment 1.

Property Owner hereby certifies that, as of the date hereof:

1. each of the representations and warranties Property Owner made under the Disbursement Agreement and the Financing Agreement (as defined in the Disbursement Agreement) is true and correct;
2. no default or Event of Default under any Financing Document has occurred and is continuing, and no event has occurred which, upon the service of notice and/or the lapse of time, would constitute an Event of Default under any Financing Document;
3. no material change has occurred with respect to the projected cost to complete the Project;
4. the progress of construction of the Project is such that it can be completed on or before the expected completion date (as contemplated in the Construction Contracts);
5. Property Owner has budgeted sufficient funds, including the remaining Funds (as defined in the Disbursement Agreement), to complete the Project;
6. the loans and Project sources are consistent with the agreed-upon budget on the Closing Date, and no additional debt has been secured by the Property (as defined in the Financing Agreement);
7. all bills for labor, materials, equipment, work, services and supplies furnished in connection with the Project, which could give rise to a mechanic's lien if unpaid, have been paid or will be paid out of the requested disbursement;
8. all claims for mechanics' liens which have arisen or could arise for labor, materials, equipment, work, services or supplies furnished in connection with the Project through the last day of the period covered by the requested advance have been effectively waived in writing, or will be effectively waived in writing when payment is made, and such written waivers have been delivered to Capital Provider;

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

TWAIN COMMUNITY PARTNERS II LLC,
a Missouri limited liability company

By: _____
Name: _____
Title: _____

Date: _____

Request No. _____ Date: _____

ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT
SCHEDULE OF PAYMENTS REQUESTED

(Payments to be made in accordance with instructions on invoice attached hereto)

Payee Name	Description	Total Payment

Total **Amount** **Requested:** \$ _____

EXHIBIT C
PACE Budget

EXHIBIT E

PERMITTED ENCUMBRANCES

[To be updated]

EXHIBIT F

SCHEDULE OF PREPAYMENT PREMIUMS

The Assessment may not be prepaid, in whole or in part, without payment of a Prepayment Premium based on the following schedule:

Pre-payment within five years of the Effective Date []%

Pre-payment after five years of the Effective Date but within ten years of the Effective Date []%

Pre-payment after ten years of the Effective Date but within fifteen years of the Effective Date []%

Pre-payment after Fifteen years of the Effective Date []%

EXHIBIT G

FORM OF ASSIGNMENT AND ASSUMPTION OF AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Assignment**"), is made and entered into as of the _____ day of _____, 2018, by and between [Original Borrower] ("**Assignor**"), and [New Borrower] ("**Assignee**").

WITNESSETH:

WHEREAS, pursuant to that certain Agreement to Pay Assessment and Finance Improvements (the "**Financing Agreement**") dated as of _____, 2018 by and between Assignor and the Western Riverside Council of Governments ("**WRCOG**") and in accordance with Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the Program (as such term is defined in the Financing Agreement) the Assignor has renovated or retrofitted, or is in the process of renovating or retrofitting, the property located at _____, _____, California (the "**Property**"), with financing for the Project provided by Twain Financial Partners Holding, LLC ("Twain") on behalf of WRCOG in the original principal amount of up to \$ _____ (the "**Project Advance**"), which is secured by a special charge levied against the Property (the "**Assessment**"); and

WHEREAS, the Assignor is obligated to pay the Assessment in accordance with the Financing Agreement; and

WHEREAS, Assignor is selling, and Assignee, is purchasing the Property including the Project and Assignee acknowledges receiving a material benefit from the transaction contemplated by this Assignment; and

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, and intending to be legally bound hereby, Assignor and Assignee hereby agree as follows.

Section 1. Assignment. Effective as of _____, 2018 (the "**Effective Date**"), Assignor hereby assigns, sells, transfers and sets over to and for the exclusive benefit of Assignee, all of the right, title and interest of Assignor, in and to, in the Financing Agreement, the Assessment, and all other documents evidencing or securing the Assessment together with the obligations of Assignor thereunder. In furtherance of the foregoing, Assignor and Assignee agree, represent and warrant that **Exhibit A** attached hereto and made a part hereof contains a true, correct and complete copy of the Financing Agreement.

Section 2. Assumption. From and after the Effective Date, Assignee hereby assumes and accepts all of Assignor's right, title and interest in and to the Financing Agreement, the Assessment, and all other documents evidencing or securing the Assessment. Assignee agrees to pay, perform and discharge, and otherwise be and remain responsible for, at its sole cost and expense, all obligations and liabilities of Assignor pursuant to the Financing Agreement, the Assessment, and all other documents evidencing or securing the Assessment and to comply with all the terms, covenants and conditions thereof, as Property Owner (as such term is defined in the Financing Agreement) thereunder, first arising and accruing on or after the Effective Date. Nothing in this Assignment shall be construed, nor do the parties intend, to modify any of the terms, obligations or definitions in the Financing Agreement. In the event of

any conflict between the terms of this Assignment and the Financing Agreement, the Financing Agreement shall prevail.

Section 3. Acknowledgement of Indebtedness. Assignee hereby acknowledges the validity of the indebtedness evidenced by the Financing Agreement, the Assessment and all other documents evidencing or securing the Assessment including the obligation to make all installment payments pursuant to the Assessment and the Financing Agreement, including any payment of any delinquent assessments and interest and penalties thereon. Assignor and Assignee hereby acknowledge and agree that the amounts owed under the Financing Agreement and the Assessment as of the Effective Date are as follows:

Unpaid Principal: \$ _____

Accrued Interest: \$ _____

Section 4. Binding Effect; Governing Law. All obligations, covenants and undertakings contained in this Assignment shall bind and be enforceable against, and shall inure to the benefit of, Assignor and Assignee, and their respective successors, legal representatives and assigns. This Assignment shall be governed by the laws of the State of California, and shall be construed in accordance with such laws.

Section 5. Notices. Every notice or other communication required or contemplated by this Assignment to Assignor or Assignee shall be in writing and sent by: (i) certified or registered mail, postage prepaid, return receipt requested, or (ii) nationally recognized overnight courier, such as Federal Express or UPS, in each case addressed to the intended recipient at the address set forth below or at such other address as the intended recipient previously designated by written notice to the other party, as follows:

If to Assignor: _____

 Attention:_____

If to Assignee: _____

 Attention:_____

Section 6. Representations. Assignor and Assignee each hereby represents to the other, to WRCOG and to Twain that it has the power and authority to execute and deliver this Assignment and perform its obligations hereunder and that the undersigned has the power and authority to bind said party to the terms hereof.

Section 7. Headings. Section captions contained herein are inserted as a matter of convenience and for reference only, and in no way define, limit, extend or describe the scope of this Assignment or any provision hereof.

Section 8. Severability. In the event that any covenant, condition or other provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the

same shall be deemed severable from the remainder of this Assignment and shall in no way affect, impair or invalidate any other covenant, condition or other provision herein contained. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope or breadth permitted by applicable law.

Section 9. Waivers; Modifications. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision hereof shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. This Assignment may be amended or modified only by a written agreement executed by the parties in interest at the time of the amendment or modification.

Section 10. Dispute Resolution. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs, both at the trial and appellate levels.

Section 11. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall be deemed to constitute one and the same agreement.

Section 12. Assignee hereby acknowledges and confirms that nothing contained in this Assignment shall be construed to modify, waive, impair or affect any of the covenants, agreements, terms, provisions or conditions contained in the Financing Agreement and all other documents evidencing or securing the Assessment (except as may be herein expressly provided), or to waive any obligation contained therein.

Section 13. Entire Agreement. This Assignment contains all of the agreements of the parties hereto with respect to the matters contained herein, and no prior agreement, arrangement or understanding pertaining to any such matters shall be effective for any purpose.

[Remainder of Page Left Blank. Signature Page to Follow]

IN WITNESS WHEREOF, Assignor and Assignee have hereunto caused this Assignment to be duly executed as of the date first set forth above.

ASSIGNOR:

[_____]

WITNESSES:

Name

By:_____
Name:_____
Title:_____
Duly Authorized

Name

Date:_____

ASSIGNEE:

[_____]

Name

By:_____
Name:_____
Title:_____
Duly Authorized

Name

Date:_____

Consented and Agreed to this____day of_____, 20__by:

Twain Financial Partners Holding, LLC

By:_____
Name:_____
Title:_____

EXHIBIT

H

DEPICTION OF PROPOSED SUBDIVISION OF PROPERTY

EXHIBIT I

FORM OF NOTICE OF SUBDIVISION

Re: Notice of Subdivision of Property (WRCOG –CA- [____])

This Notice of Subdivision is provided pursuant to Section 3.07(c) of that certain Agreement to Pay Assessment and Finance Improvements dated [], 2018 (the "Assessment Contract") by and between [_____] (the "Property Owner") and Western Riverside Council of Governments (the "Authority"). The undersigned hereby represents as follows:

1. I am an authorized representative and signatory of the Property Owner; and
2. The portion of the Property being subdivided is located solely within the parcel identified in Exhibit I of the Assessment Contract as Parcel S (the "Subdivision Parcel"); and
3. The Subdivision Parcel receives no benefit from the Improvements identified on Exhibit B of the Assessment Contract; and
4. Upon subdivision, the Subdivision Parcel will be identified as Assessor Parcel No. _____. The remainder of the Property will be identified as Assessor Parcel No. _____ (the "Remainder Property");
5. The Property Owner hereby allocates 100% of the Assessment, as defined in the Assessment Contract, to the Remainder Property and 0% to the Subdivision Parcel.

Dated:_____

By:_____

Name:_____

Title:_____