



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 ("Eligible Products") that are permanently fixed to a property owner's real property ("Property"). The cost of the purchase and installation of Eligible Products (the "Project Cost") will be financed upon the signing of an assessment contract ("Assessment Contract") between the Authority and the property owner(s) (collectively, the property owner(s) shall be referred to herein as the "Property Owner," "you" or "your"). The Authority has retained Renovate America, Inc. ("Renovate America") to facilitate the Program, and you will see this name throughout the Program materials. The Authority and Renovate America are referred to collectively herein as "Program Administrator."

## A. Property Owner Acknowledgments

You are applying for HERO Program financing. By signing this application (the "Application"), you 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 your signature on the Application and that you 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, 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 you have made in this Application, or both.
2. You understand that it is your responsibility to receive, read and understand all documents comprising the Program, which, include, but are not limited to, the following:
  - a. This Application;
  - b. Privacy Notice;
  - c. Assessment Contract; and
  - d. Program Handbook.
3. You have had an opportunity to speak with Program representatives and your legal counsel on any questions you have regarding the documents listed above. You are also aware that Property Owners are encouraged to consult with legal counsel or a tax professional of their choice before entering into an Assessment Contract.
4. You 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 required to obtain HERO Program financing.
5. You understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property, and that an assessment lien will be recorded by the Authority against the Property in the office of the County Recorder of the County of San Diego 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.
6. If, as of the date of this Application or any time before the completion of the installation of Eligible Products on the Property to be financed through your HERO Assessment Contract, you have obtained or are in the process of obtaining additional financing for the installation of energy efficiency, renewable energy or water saving measures from a source other than the Program the repayment of which will also be collected on your property tax bill through the levy of an additional assessment or a special tax against the Property, you will notify the Program as part of your HERO Application process (or at such other time before the installation of your HERO financed Eligible Products is complete) and will provide all relevant information requested by the Program in order to determine if you have met the applicable underwriting requirements.
7. The property taxes for your Property have not been paid late more than once in the past three (3) years or since the purchase of your Property, whichever period is shorter.
8. Your HERO Program financing will not be used to finance any equipment that is not an Eligible Product on the Program's Eligible Product List or approved as a custom product by the Program.

## B. Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program. 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 available to answer questions regarding 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. **Foreclosure.** the Authority shall determine whether any annual assessment installment is not paid when due and shall have the right to order that any such delinquent payment, penalties, interest, and associated costs be collected by a foreclosure action brought in Superior Court that could result in a sale of the Property for the payment of such delinquent assessment installment.
- c. **Program Administration Fee.** At the time of closing, the Authority will charge you a one-time program administration fee of 5.17% of the Project Cost to cover the cost of administering the Program. This fee will be included in the principal amount of the assessment.
- d. **Recording Fee and One-time Assessment Administration Fee.** At the time of closing, the Authority will pass-through the assessment recording fee of \$75.00 to you to cover the cost of recording the assessment, which will be added to the assessment amount or may be paid upfront by you at closing. At the time of closing, a one-time assessment administration fee of \$155.00 will also be added to the assessment amount. In addition, you will be required to pay recording fees charged by the County in connection with a prepayment or discharge of the assessment.
- e. **Annual Assessment Administration Fee.** Each year, an annual assessment administration fee will be added to the assessment lien amount on your property tax bill. This fee is currently \$40.00, but is subject to increase to an amount not to exceed \$70.00.
- f. **Interest Before First Payment:** Interest will be added to your assessment amount for the period between your closing date and September 2<sup>nd</sup> of the year in which you make your first assessment payment, in accordance with the Improvement Bond Act of 1915. The maximum amount of interest will be disclosed in your financing documents. Depending on the date the assessment is recorded on your Property, your first assessment payment may not be due until the following tax year.
- g. **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; however, you may not be able to make partial prepayments if you are entering into a solar lease or power purchase agreement. 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 second business day of the second month following the date the prepayment is made.
- h. **No Endorsement, Warranty or Liability.** The Authority, Renovate America, 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, the participating municipality, Renovate America and the Program, and each of their respective, officers, employees, agents and assigns make no representations and have no responsibility regarding the equipment and its installation, including the eligibility, 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. You are responsible for verifying that all equipment installed is either on the Program's Eligible Product List or approved as a custom product by the Program. Further, the Authority, Renovate America and the Program shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.
- i. **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.

- j. **Property Transfers, Notice, and Acknowledgement.** To the extent required by applicable law, the Property Owner hereby agrees to provide written notice of the obligation to pay the assessment pursuant to an Assessment Contract to any subsequent purchaser or transferee of the Property or any interest therein, including any subdivision of the Property, at or before the time of sale or transfer of the Property. Property Owner understands and acknowledges that the assessment, and obligation to pay the assessment pursuant to such Assessment Contract, runs with the land and, upon sale or transfer of the Property or any interest therein, any subsequent owner or transferee shall be required to pay the assessment pursuant to such Assessment Contract. If a subsequent owner or transferee fails to pay the assessment pursuant to such Assessment Contract, then the provisions of this Contract, including the "Foreclosure" provision listed above, shall apply to the subsequent owner or transferee's interest in the Property to the extent permitted by law. Property Owner further understands and acknowledges that a subsequent purchaser or transferee, or any interested party to the sale or transfer (such as a lender), may require as a condition of sale or transfer, that the assessment be paid in full prior to sale or transfer. Information regarding assessment prepayment can be found in your Program financing documents.
- k. **Project Pricing. CONTRACTORS THAT HAVE REGISTERED WITH THE PROGRAM HAVE AGREED NOT TO CHARGE YOU A DIFFERENT AMOUNT FOR A HOME IMPROVEMENT PROJECT IF YOU FINANCE THAT PROJECT THROUGH THE PROGRAM INSTEAD OF PAYING FOR THE PROJECT WITH CASH.**

2. Legal Disclosures and Consents.

- a. **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.
- b. **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.
- c. **Terms for Electronic Transactions and Records.**

By signing this Application, you hereby agree as follows: (A) you have read the consent in this subsection (c); (B) you consent to use electronic signatures and Records; (C) you have the necessary hardware and software to view and print copies of Records and additional communications online and to receive Records and communications that we send to you; and (D) your consent applies to every Record, as defined here, that we may send you during our business relationship unless you revoke your consent.

- i. **Definitions.** For purposes of this subsection (c), the following definitions apply:
- “Records” means all documents related to Program financing and all other communications or information related to the product or service you obtain with us.
- ii. **Scope of Consent.** You consent to conduct transactions that occur prior to and after executing application electronically, use electronic signatures and Records, and receive electronic mail (email) and electronic communication with respect to these transactions and Records regarding your account, instead of receiving them in paper or by regular mail. Your consent will be effective unless you withdraw it in the manner provided below. The Program may provide Records to you electronically by posting them online or by email, which may include attachments or embedded links.
- iii. **How to Update Your Contact Information.** You agree to provide the Program with your accurate email address (if available) and personal contact information and to promptly notify the Program of any changes. You can update your information (including your email address) by contacting the Program at 855-HERO-411.
- iv. **Obtaining Paper Copies.** You may obtain a paper copy of a Record by printing it from your computer or by contacting the Program at 855-HERO-411. The Program may charge you a reasonable service charge for providing you with a paper copy of any Record. The request for a paper copy of a Record will not by itself constitute a withdrawal of your consent to receive Records electronically. The Program reserves the right, but is not required, to send a paper copy of any Record you authorize the Program to provide electronically.
- v. **Withdrawing Consent.** You may at any time withdraw your consent to receive Records electronically, and instead elect at any time to use the U.S. Postal Service to obtain Records, by updating your profile information through your online account or by contacting the Program at 855-HERO-411. The Program will not impose any fee if you withdraw your consent to receive Records electronically, but communications between you and the Program will be slower. If you withdraw your consent to receive Records electronically, such withdrawal will not apply to Records that were furnished by the Program to you electronically before the date on which the withdrawal of your consent takes effect.
- vi. **Hardware and Software Requirements.** In order to use Electronic Transactions and Records you need to have an electronic device that supports the use of Microsoft Internet Explorer 7.0 or higher, Mozilla Firefox 3.5 or higher, Chrome, Safari 5.0 or higher, or an equivalent. You also need hardware as necessary to support this software, including, without limitation, an electronic device using a Windows 98, NT, 2000, ME XP, Vista or 7 operating system that supports 128-bit encryption, sufficient storage space to save copies of your Records, a modem with internet access, and a printer if you wish to print paper copies. You will need a screen resolution of minimum 800 x 600 and a program that can view, save and print PDF files (such as Adobe Reader 6.0 or higher). Please save and print a copy of these Terms for Electronic Transactions and Records to confirm that you have the required hardware and software to conduct electronic transactions with us.
- d. **Telephone Communications Consent.** By providing the Program Administrator with a telephone number, including a number that you later convert to a mobile device number, you are expressly consenting to receiving communications—including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system—from the Program Administrator and its affiliates and agents at that number. This express consent applies to each such telephone number that you provide to the Program

Administrator now or in the future. Calls and messages may incur access fees from your mobile services provider. You understand that you may revoke your express consent by informing the Program Administrator that you no longer wish to receive prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system from the Program Administrator.

- e. **Property Owner Income and Expenses.** As part of the application process, Property Owner income and expenses will be considered and could affect application approval and maximum approval amounts. Approval amounts may vary depending on financing term length, interest rates and the contractor you select. Available term lengths depend on the useful life of the products installed. Not all term lengths are available for all products. By signing this Application, you agree that any information or documentation you provide regarding your income and expenses will be accurate and complete. Alimony, child support or separate maintenance income does not need to be included unless you wish it to be considered as a basis for payment.

## C. Arbitration Agreement

Please read this Section ("Arbitration Agreement") carefully. It is part of this Application and affects your rights. It contains A JURY TRIAL WAIVER and procedures for MANDATORY BINDING ARBITRATION AND A CLASS ACTION WAIVER.

1. **Arbitration Agreement.** Before asserting a claim against Renovate America in any proceeding, you agree that you shall engage in a good faith attempt to resolve the claim. All claims and disputes between you and Renovate America that cannot be resolved informally or in small claims court shall be resolved by binding arbitration on an individual basis under the terms of this Arbitration Agreement. This Arbitration Agreement applies to you (including any of your successor(s) in interest) and Renovate America (including any of Renovate America's parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns, registered contractors and sub-contractors).
2. **Waiver of Jury Trial.** YOU HEREBY WAIVE THE CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR A JURY, instead electing that all claims and disputes shall be resolved by arbitration under this Arbitration Agreement. Arbitration procedures are typically more limited, more efficient and less costly than rules applicable in court and are subject to very limited review by a court.
3. **Arbitration Rules.** The Federal Arbitration Act governs the interpretation and enforcement of this dispute resolution provision. Arbitration shall be initiated through JAMS, Inc., an established alternative dispute resolution provider ("ADR Provider"). If the selected ADR Provider is not available to arbitrate, Renovate America shall select an alternative ADR Provider. The rules of the ADR Provider shall govern all aspects of this arbitration, except to the extent such rules are in conflict with this Application or to the extent that application of this Application provisions would result in the unenforceability of this Arbitration Agreement. The JAMS rules governing the arbitration are available online at [www.jamsadr.com](http://www.jamsadr.com) or by calling JAMS at 1-800-352-5267. Any arbitration hearing will be held in your federal judicial district. Any judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.
4. **Decision of Arbitrator.** The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions on which the award is based. The arbitrator has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitrator is final and binding upon the Property owner and Renovate America.
5. **Waiver of Class or Consolidated Actions.** ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION AGREEMENT MUST BE ARBITRATED ON AN INDIVIDUAL BASIS AND NOT ON A CLASS BASIS, AND ARBITRATION CLAIMS OF MORE THAN ONE PROPERTY OWNER CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER PROPERTY OWNER.
6. **Severability.** If any part or parts of this Arbitration Agreement other than the Waiver of Class or Consolidated Actions are found under the law to be invalid or unenforceable, then such specific part or parts shall be of no force and effect and shall be severed and the remainder of the Arbitration Agreement shall continue in full force and effect. If the Waiver of Class or Consolidated Actions is found to be unenforceable, then as to the specific dispute in which that ruling of unenforceability was made, this entire Arbitration Agreement shall be unenforceable.
7. **Survival of Agreement.** This Arbitration Agreement shall survive the termination of this Application.
8. **Small Claims Court.** Notwithstanding the foregoing, you or Renovate America may bring an individual action in small claims court.
9. **Property Owner's Right to Opt Out of Arbitration.** You may opt out of this Arbitration Agreement by sending a written notice of your election to do so, signed by all application hereunder, within 30 days of the date of this Application. Such election shall be sent to Renovate America, Attn: Compliance Department, at 16409 W. Bernardo Drive, San Diego, CA, 92127.

By signing below, you acknowledge and agree to the terms set forth in this Arbitration Agreement.



## HERO Financing Program™ Application


P: 855-HERO-411

A: 16409 W. Bernardo Drive, San Diego, CA, 92127

E: info@heroprogram.com

### Property Owner Signature(s)

You declare that (i) you have received, read and understand the risks and characteristics of the Program described in this Application and (ii) by executing this Application, you (a) agree to its terms, without the need for any third party consent and (b) have been informed that you must take sole responsibility to ensure 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 you are a party. You hereby authorize Renovate America to obtain a copy of your credit report and all other necessary information and documentation to show that you meet all HERO Program underwriting requirements.

	_____ Joe Smith	_____ Date	_____ Property Owner 2	_____ Date
	_____ Property Owner 3	_____ Date	_____ Property Owner 4	_____ Date



## HERO Financing Program™ Application

P: 855-HERO-411

A: 16409 W. Bernardo Drive, San Diego, CA, 92127

E: info@heroprogram.com

FOR CONTRACTOR CALL IN ONLY

HERO ID#: CA07300000

### Property Address

Single Family Home

Property Type

123 Blueberry Ln

Property Address

San Diego

City

CA

State

92127

Zip Code

### Property Owner

Ownership Type: Individual

Joe

First Name

M. Initial

Smith

Last Name

XXX-XX-XXXX

Social Security Number

XX/XX/1980

Birth Date (mm/dd/yyyy)

(555) 123-4567

Home Phone Number

joe\_smith@rasampledcs.com

Email Address

123 Blueberry Ln

Mailing Address

San Diego

City

CA

State

92127

Zip Code

### Property Owner 2

First Name

M. Initial

Last Name

Social Security Number

Birth Date (mm/dd/yyyy)

### Property Owner Signature(s)

You declare that you 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.



sig.

Joe Smith

Date

Property Owner 2

Date

Property Owner 3

Date

Property Owner 4

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.

**California HERO Program  
ASSESSMENT CONTRACT  
(RESIDENTIAL)**

This Assessment Contract (this "Contract") is made and entered into as of this 3rd day of January, 2019, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority" or "WRCOG"), and the record owner(s), **Joe 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. By signing this Contract below, the Property Owner hereby represents and warrants that any and all payments disbursed under this Contract by or on behalf of the Authority will be used solely for the purpose of financing the installation of Improvements identified on Exhibit A, except as and to the extent Exhibit A is modified by any duly executed Addendum (as defined below) to this Contract.



**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

(a)        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 (each, an "Assessment Installment"). The schedule of estimated maximum annual Assessment Installments are set forth in paragraph (c) below. 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.

(b)        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).

(c)        Schedule of Estimated Maximum Annual Assessment Installments. The following schedule of estimated maximum annual Assessment Installments is based upon the assumptions provided in Exhibit B hereto, including (without limitation) the 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 below and on Exhibit B.

<b>Tax Year* (commencing July 1)</b>	<b>Total Annual Payment**</b>	<b>Interest Portion of Annual Payment***</b>
2019 - 2020	\$1,704.26	\$1,449.09
2020 - 2021	\$1,704.26	\$809.89
2021 - 2022	\$1,704.26	\$744.19
2022 - 2023	\$1,704.26	\$673.44
2023 - 2024	\$1,704.26	\$597.25
2024 - 2025	\$1,704.26	\$515.19
2025 - 2026	\$1,704.26	\$426.83
2026 - 2027	\$1,704.26	\$331.67
2027 - 2028	\$1,704.26	\$229.20
2028 - 2029	\$1,704.25	\$118.84

\* The payment schedule shown above assumes an initial Tax Year based upon the Estimated Disbursement Date. The actual payment schedule will begin with an initial Tax Year based upon the actual disbursement date. In some cases, this may be one year earlier than the initial Tax Year reflected in the schedule above.

\*\* Includes the annual Assessment Installments due in the Tax Year and current annual assessment administration fee of \$40.00, which is subject to increase to an amount not to exceed \$70.00.

\*\*\* This column includes annual interest and any prepaid interest if financed. Consult your tax advisor about potential tax deductibility and any other tax benefits.



**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 SAN DIEGO (THE "COUNTY").**

Upon receipt of the fully executed and final Completion Certificate (as described in the current version of The California Residential HERO Program Handbook, 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 5 below, and this Contract shall remain unmodified and the Assessment shall be calculated as described above in this Section 3(c). If, however, any such change meets the provisions of Section 5 below, then an Addendum will be required.

(d) 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").

(e) Prepayment and Discharge 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 second business day of the second month following the date the prepayment is made. The Property Owner will be required to pay recording fees charged by the County in connection with a prepayment or discharge of the assessment.

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

**Section 4.** Existing Mortgage Disclosure. The Program establishes the manner by which WRCOG may finance, pursuant to Chapter 29, the installation of Authorized Improvements, including the Improvements. The Improvements will be financed pursuant to this Assessment Contract between Property Owner and WRCOG.

BEFORE EXECUTING THIS ASSESSMENT CONTRACT, PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. ENTERING INTO THIS ASSESSMENT CONTRACT WITHOUT THE CONSENT OF 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 THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT.

IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNERS OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY WRCOG. 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 Property Owner's lender requires an impound for Property Owner's property taxes, Property Owner acknowledges that Property Owner should consider notifying such lender of the annual Assessment payment amount so such lender can adjust the Property Owner's impound amount to include the annual Assessment payment.

**Section 5.** 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; 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; and (ii) providing the Revised Estimated 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 6.** 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 7.** Financing of the Improvements.

(a) 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.

(b) 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 in Section 3(c) of this Contract 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 or home improvement contract 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 8.** 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:

- a. 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:
  - i. 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;
  - ii. 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;
  - iii. The Authority shall cause all instruments, documents and agreements described in Section 10 of this Contract to be recorded;
  - iv. The Authority shall cause the amount reflected in the First Installation Completion Certificate to be disbursed to the Contractor who installed such Improvements; and
  - v. The Authority shall cause all administrative, recording and other fees described on line 6 of Exhibit B to be paid.
- b. 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.
- c. 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:
  - i. 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:
    1. 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 5 of this Contract; or
    2. 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.
- d. If for any reason any one or more of the categories or types of Improvements planned to be installed under this Section 8 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 9.**      Term: Contract Runs with the Land: Subdivision.

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

(c) 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 10.** 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 11.** 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 12.** 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. The waivers, releases and agreements set forth in this Section 12 shall survive termination of this Contract.

**Section 13.**        Arbitration Agreement. *Please read this Section ("Arbitration Agreement") carefully. It is part of this Contract and affects the Property Owner's rights. It contains A JURY TRIAL WAIVER and procedures for MANDATORY BINDING ARBITRATION AND A CLASS ACTION WAIVER.*

- a. Before asserting a claim in any proceeding Property Owner ("Property Owner" includes any successor in interest to the Property Owner) and WRCOG ("Authority" includes any of WRCOG's parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns, registered contractors and sub-contractors) agree that they shall engage in good faith attempt to resolve the claim.
- b. Arbitration Agreement. All claims and disputes arising out of or relating to the HERO Program, the Contract and/or the Improvements that cannot be resolved informally or in small claims court shall be resolved by binding arbitration on an individual basis under the terms of this Arbitration Agreement. This Arbitration Agreement applies to the Property Owner and WRCOG.
- c. Waiver of Jury Trial. PROPERTY OWNER AND AUTHORITY HEREBY WAIVE THEIR CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR A JURY, instead electing that all claims and disputes shall be resolved by arbitration under this Arbitration Agreement. Arbitration procedures are typically more limited, more efficient and less costly than rules applicable in court and are subject to very limited review by a court.
- d. Arbitration Rules. The Federal Arbitration Act governs the interpretation and enforcement of this dispute resolution provision. Arbitration shall be initiated through JAMS, Inc., an established alternative dispute resolution provider ("ADR Provider"). If the selected provider is not available to arbitrate, the Parties shall select an alternative ADR Provider. The rules of the ADR Provider shall govern all aspects of this arbitration, except to the extent such rules are in conflict with the Contract ("Arbitration Rules") or to the extent that application of the Contract provisions would result in the unenforceability of this Arbitration Agreement. The JAMS rules governing the arbitration are available online at [www.jamsadr.com](http://www.jamsadr.com) or by calling JAMS at 1-800-352-5267. Any arbitration hearing will be held in the Property Owner's federal judicial district. Any judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.
- e. Decision of Arbitrator. The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions on which the award is based. The arbitrator has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitrator is final and binding upon the Property Owner and WRCOG.
- f. Waiver of Class or Consolidated Actions. ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION AGREEMENT MUST BE ARBITRATED ON AN INDIVIDUAL BASIS AND NOT ON A CLASS BASIS, AND ARBITRATION CLAIMS OF MORE THAN ONE PROPERTY OWNER CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER PROPERTY OWNER.
- g. Severability. If any part or parts of this Arbitration Agreement other than the waiver of class or consolidated rights are found under the law to be invalid or unenforceable, then such specific part or parts shall be of no force and effect and shall be severed and the remainder of the Arbitration Agreement shall continue in full force and effect. If the waiver of class or consolidated rights is found to be unenforceable, then as to the specific dispute in which that ruling of unenforceability was made, this entire Arbitration Agreement shall be unenforceable.
- h. Survival of Agreement. This Arbitration Agreement shall survive the termination of this Contract.

- i. Small Claims Court. Notwithstanding the foregoing, either Property Owner or Authority may bring an individual action in small claims court.
- j. Property Owner's Right to Opt Out of Arbitration. Property Owner may opt out of this Arbitration Agreement by sending a written election of the Property Owner's election to do so, signed by all Property Owners, within 15 days of the date of this contract. Such election shall be sent to Attn: WRCOG HERO Program Manager 16409 W. Bernardo Drive San Diego, CA, 92127.

By initialing below, the Property Owner acknowledges and agrees to the terms set forth in Sections 4, 12 and 13 above.

Joe Smith Initials:	_____	Initials:	_____
Initials:	_____	Initials:	_____

**Section 14.** 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 14 shall survive the termination of this Contract.

**Section 15.** 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 16.** Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

**Section 17.** 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 Property Owner's 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 18.** Amendment. Except as set forth in Section 3 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 5) or other written agreement of the Authority and the Property Owner.

**Section 19.** 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 20.** 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 21.** 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 22.** 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 23.** 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 San Diego.

**Section 24.** 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 25.** 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 26.** Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and WRCOG 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:

- a. 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.
- b. 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").
- c. 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 01/13/2019. 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.**



Smith, Joe  
CA07300000

**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:**

\_\_\_\_\_  
Joe Smith, Signature

Date: \_\_\_\_\_  
Month/Day/Year

**Identity Verification Code:**

--

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

\_\_\_\_\_  
Name *(Please Print)*

\_\_\_\_\_  
WRCOG Signature

\_\_\_\_\_  
Date of Execution by WRCOG

**EXHIBIT A**

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

**Description of Property:**

Property Owner Name(s): Joe Smith

Property Address: 123 Blueberry Ln, San Diego, CA 92127

APN: XXX-XXX-XXX-XXX

Participating Entity: City of San Diego

County: San Diego

**Description of Products:**

The Products include the following:

PRODUCT #1	
Product Category Type:	Heating, Cooling & Ventilation – Air Conditioners

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  
3390 University Avenue, Suite 450  
Riverside, CA 92501-3320

Joe Smith  
123 Blueberry Ln  
San Diego, CA 92127

**EXHIBIT B**

**LIST OF CONTRACT DOCUMENTS, DISBURSEMENT, AND ASSUMPTIONS APPLICABLE TO THE  
SCHEDULE OF ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS**

**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 5 hereto;
- The Application;
- The Right to Cancel;
- The Completion Certificate or, pursuant to Section 8, each applicable Completion Certificate;
- The Final Payment Summary;
- The Notice of Assessment;
- The Payment of Contractual Assessment Required; and
- The California Residential HERO Program Handbook, current version.

**Disbursement Amounts:**

The "Estimated Disbursement Amount" under this Contract is \$11,325.19, which is based upon the Improvements and pricing set forth in this Contract. The Estimated Disbursement Date is June 22, 2019, which date is used in the table in Section 3(c) of the Contract.

**Assumptions Applicable to the Schedule of Estimated Maximum Annual Assessment Installments:**

The schedule of the estimated maximum Annual Assessment Installments provided in Section 3(c) of the Contract is based on the following assumptions:

1. WRCOG disburses the Estimated Disbursement Amount to Owner.
2. Interest totaling a maximum of \$578.19 will accumulate until September 2<sup>nd</sup> of the year in which you make your first assessment payment, in accordance with the Improvement Bond Act of 1915. That amount will be added to Owner's Estimated Disbursement Amount.
3. WRCOG disburses to Owner on the Estimated Disbursement Date.
4. The Assessment Interest Rate is 7.69%.
5. The Annual Percentage Rate (APR) of your assessment is 9.82%. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the HERO Program.
6. Administrative fees and recording fees totaling \$747.00 are added to your assessment.

**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(e) 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 second business day of the second month following the date the prepayment is made, as well as any recording fees charged by the County in connection with a prepayment of the assessment.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss.

COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_,

Notary Public, personally appeared

\_\_\_\_\_, who  
proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he/she executed the  
same in his/her authorized capacity, and that by his/her signature on the instrument the  
person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of  
CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Property Owner

Signature \_\_\_\_\_

(This area for official notarial seal)

## 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 **Joe 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:

1. Defined Terms. Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings given to them in the Contract.
2. Addendum.
  - a. The Improvements and Improvement Amounts appearing in this Addendum shall replace the Improvements listed in Exhibit A, and shall become part of, and be incorporated into, Exhibit A as if they originally appeared herein.
  - b. 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.
  - c. 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.
3. 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.

4. Representations and Warranties.

- a. 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.
- b. 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.
- c. Property Owner hereby represents and warrants that any and all payments disbursed under this Contract will be used solely for the purpose of financing the installation of Improvements listed in the Description of Products below.

5. Estimated Disbursement Amount. The Revised Estimated Disbursement Amount under this Contract is **\$11,325.19**, which is based upon the Improvements and pricing set forth in this Addendum. The Estimated Disbursement Date is June 22, 2019, which date is used in the table below.
6. Interest totaling a maximum of **\$578.19** will accumulate until September 2<sup>nd</sup> of the year in which you make your first assessment payment, in accordance with the Improvement Bond Act of 1915. Administrative fees and recording fees totaling **\$747.00** are added to your assessment.

**Property Owner Information:**

Date: **01/03/2019**  
Property Owner: **Joe Smith**  
Property Address: **123 Blueberry Ln, San Diego, CA 92127**  
HERO ID: **CA07300000**  
Application Date: **01/03/2019**  
Expiration Date: **06/22/2019**  
APN: **xxx-xxx-xxx-xxx**

**Summary:**

Financing Term	Interest Rate	Annual Amount Added to Property Tax Bill
10 years	7.69%	\$1,704.26

**Description of Products:**

**PRODUCT #1**

**Product Category Type:** Heating, Cooling & Ventilation – Air Conditioners

**Payment Schedule:**

<b>Tax Year* (commencing July 1)</b>	<b>Total Annual Payment**</b>	<b>Interest Portion of Annual Payment***</b>
2019 - 2020	\$1,704.26	\$1,449.09
2020 - 2021	\$1,704.26	\$809.89
2021 - 2022	\$1,704.26	\$744.19
2022 - 2023	\$1,704.26	\$673.44
2023 - 2024	\$1,704.26	\$597.25
2024 - 2025	\$1,704.26	\$515.19
2025 - 2026	\$1,704.26	\$426.83
2026 - 2027	\$1,704.26	\$331.67
2027 - 2028	\$1,704.26	\$229.20
2028 - 2029	\$1,704.25	\$118.84

\* The payment schedule shown above assumes an initial Tax Year based upon the Estimated Disbursement Date. The actual payment schedule will begin with an initial Tax Year based upon the actual disbursement date. In some cases, this may be one year earlier than the initial Tax Year reflected in the schedule above.

\*\* Includes the annual Assessment Installments due in the Tax Year and current annual assessment administration fee of \$40.00, which is subject to increase to an amount not to exceed \$70.00.

\*\*\* This column includes annual interest and any prepaid interest if financed. Consult your tax advisor about potential tax deductibility and any other tax benefits.

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:**

\_\_\_\_\_  
Joe Smith, Signature

Date: \_\_\_\_\_  
Month/Day/Year

**Identity Verification Code:**

--



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

\_\_\_\_\_  
Name (*Please Print*)

\_\_\_\_\_  
WRCOG Signature

\_\_\_\_\_  
Date of Execution by WRCOG

SAMPLE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss.

COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_,

Notary Public, personally appeared

\_\_\_\_\_, who  
proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he/she executed the  
same in his/her authorized capacity, and that by his/her signature on the instrument the  
person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of  
CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Property Owner

Signature \_\_\_\_\_

(This area for official notarial seal)

**MEMORANDUM AGREEMENT OF CALIFORNIA HERO PROGRAM  
ASSESSMENT CONTRACT (RESIDENTIAL)**

**THIS MEMORANDUM AGREEMENT OF CALIFORNIA HERO PROGRAM ASSESSMENT CONTRACT (RESIDENTIAL)** is entered into as of this 3rd day of January, 2019, between the Western Riverside Council of Governments, a joint exercise of powers of authority (the "Authority") and Joe Smith, (individually and collectively the "Property Owner"), the record owner(s) of the fee title to the real property identified on Exhibit A (the "Property") and constitutes a binding contract of the parties hereto.

1. Authority has established the California HERO Program to allow 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.
2. The Authority and the Property Owner are executing in connection herewith, that certain California HERO Program Assessment Contract (Residential) dated as of the date hereof (the "Assessment Contract").
3. The Property Owner hereby freely and willingly agrees to pay the assessment (the "Assessment") as provided in Exhibit B to the Assessment Contract plus interest and the Additional Administrative Assessment as provided in the Assessment Contract. The Assessment shall equal the total amount disbursed by the Authority to pay for (i) the Improvements identified on Exhibit A to the Assessment Contract, plus (ii) all costs, fees and interest associated therewith as reflected on Exhibit B to the Assessment Contract, which total amount is also known as the Actual Disbursement Amount (defined below).
4. Upon receipt of the fully executed and final Completion Certificate, as described in the current version of The California Residential HERO Program Handbook (referred to herein as the "Handbook"), the Authority shall calculate and disburse payments to those entitled to receive them (the "Actual Disbursement Amount") hereunder subject to such revisions as are agreed to pursuant to the Assessment Contract and subject to any Addendum to the Assessment Contract provided for under the Assessment Contract agreed to and executed by the parties hereto. The Property Owner shall comply with all requirements for contracting for the installation of the Improvements as required in the Assessment Contract and shall deliver such Completion Certificates as are provided for in the Assessment Contract. The Authority shall comply with all disbursement and recording requirements provided for in the Assessment Contract.
5. 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 (the "Assessment Lien") until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29 and may be enforced through judicial foreclosure action that could result in the sale of the Property for payment of the delinquent installments, and all penalties, interest and costs of suit, including attorneys' fees subject to such forbearance and subordination as may be provided in any Subordination Agreement that may be executed between the Authority and any other lienholder now or hereafter.
6. Except as otherwise set forth herein or in the Assessment Contract, this Contract shall expire upon (i) the final Assessment payment as provided in the Assessment Contract or (ii) any prepayment of the Assessment, provided that such prepayment is meant to be permanent and the party who is then the Property Owner does not execute a document confirming the assumption and continuation of the Assessment Contract and the Assessment Lien.
7. 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. If the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel as provided in the Assessment Contract.
8. The Property Owner hereby waives (i) 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; (ii) any 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; and (iii) any rights waived in the Assessment Contract.

Smith, Joe  
CA07300000

9. This Memorandum is subject to all of the terms, conditions and understandings of the Assessment Contract, which are incorporated herein by reference as though copied verbatim herein. In the event of a conflict between the terms of this Memorandum and the terms of the Assessment Contract, the terms of the Assessment Contract shall prevail.

**Description of Improvements:**

<b>PRODUCT #1</b>	
<b>Product Category Type:</b>	Heating, Cooling & Ventilation – Air Conditioners

**IN WITNESS WHEREOF**, the Authority and the Property Owner have duly executed this Memorandum as of the date first above written.

<b>Owner 1:</b>	
<hr/>	
Joe Smith, Signature	
Date:	<b>Identity Verification Code:</b>
<hr/>	<div style="border: 1px solid black; width: 100%; height: 40px;"></div>
Month/Day/Year	

<b>WRCOG:</b> Executive Director and/or his or her designee:	
<hr/>	
Name <i>(Please Print)</i>	
<hr/>	
<b>WRCOG:</b> Signature	Date of Execution by <b>WRCOG:</b>
<hr/>	<hr/>

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA } ss.

COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_, before me, \_\_\_\_\_,

Notary Public, personally appeared

\_\_\_\_\_, who  
proved to me on the basis of satisfactory evidence to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he/she executed the  
same in his/her authorized capacity, and that by his/her signature on the instrument the  
person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of  
CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Property Owner

Signature \_\_\_\_\_

(This area for official notarial seal)

# Financing Estimate and Disclosure

16409 W. Bernardo Drive, San Diego, CA, 92127

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

<b>DATE ISSUED</b>	01/03/2019	<b>TERM</b>	10 years
<b>PROPERTY OWNERS</b>	Joe Smith	<b>PURPOSE</b>	Home Improvement
	123 Blueberry Ln	<b>PRODUCT</b>	HERO Program
	San Diego, CA 92127	<b>IDENTIFICATION #</b>	CA07300000
<b>PROPERTY ADDRESS</b>	123 Blueberry Ln	<b>RATE LOCK</b>	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until 06/22/2019
	San Diego, CA 92127		After the expiration date interest rates and closing costs can change.

Notice to Property Owner: You have the right to request that a hard copy of this document be provided to you before and after reviewing and signing. The financing arrangement described below will result in an assessment against your property which will be collected along with your property taxes and will result in a lien on your property. You should read and review the terms carefully, and if necessary, consult with a tax professional or attorney.

## Customer Service Toll-Free Telephone Number and Email

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of your financing contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

**Toll-free telephone number:** (855) HERO-411

**Customer service email address:** info@heroprogram.com

## Products and Costs

Product Cost (Including labor/installation)	\$10,000.00	• Heating, Cooling & Ventilation – Air Conditioners
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## Financing Costs

Application Fees and Costs	\$517.00
Prepaid Interest	\$578.19
Other Costs	\$230.00
Total Amount Financed	\$11,325.19
Simple Interest Rate	7.69%
Annual Percentage Rate (APR)	9.82%
Balloon Payment	\$0.00

## Projected Payments

<b>Total Estimated Annual Principal, Interest and Administrative Fees</b>	<b>\$1,704.26</b>
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Note: If your property taxes are paid through an impound account, your mortgage lender may apportion the amount and add it to your monthly payment. See "Other Considerations," below. This financing arrangement will result in an assessment against your property which will be collected along with your property taxes.

# Financing Estimate and Disclosure

16409 W. Bernardo Drive, San Diego, CA, 92127

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

## Other Costs

<b>A. Origination Charges<sup>1</sup></b>	<b>\$517.00</b>
Application Fee	\$0.00
Bond Related Costs	\$517.00
<b>B. Services</b>	<b>\$0.00</b>
Appraisal Fees	\$0.00
Credit Reporting Fees	\$0.00
<b>C. Recording and Administrative Fees<sup>1</sup></b>	<b>\$230.00</b>
County Recording Fees	\$75.00
One-time Assessment Administration Fee	\$155.00
<b>D. TOTAL FINANCING COSTS (A + B + C)</b>	<b>\$747.00</b>

<sup>1</sup> Included in "Financing Costs" in preceding section

## Prepaid Interest

<b>E. Prepaid Interest<sup>1</sup></b>	<b>\$578.19</b>
<i>(From closing to September 2<sup>nd</sup> of the year in which you make your first assessment payment)</i>	

## Total Financing Costs and Closing Costs

<b>F. TOTAL CLOSING COSTS (D + E)</b>	<b>\$1,325.19</b>
---------------------------------------	-------------------

## Calculating Cash to Close

Total Financing Costs and Closing Costs (F)	\$1,325.19
Closing Costs Financed <i>(Paid from Financed Amount)</i>	-\$1,325.19
Down Payment/Funds from Borrower	\$0.00
<b>Estimated Cash to Close</b> <i>(Out of pocket)</i>	<b>\$0.00</b>

## Other Terms

Prepayment Fee	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	Interest will accrue until the 2 <sup>nd</sup> day of the 2 <sup>nd</sup> month following payoff
Annual Assessment Administration Fee	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	Annual assessment administration fee of \$40.00 is subject to change <sup>2</sup>
Additional Recording Fees	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	County recording fees collected upon prepayment or discharge generally range between \$95 and \$125 <sup>3</sup>

## Additional Information About this Financing

Use this information to compare to other financing options

<b>Total amount you will have paid over the term of the financing</b>		\$10,747.00	Principal you will have paid off (excluding any prepaid interest if financed)
	+	\$5,895.59	Amount of interest you will have paid (including any prepaid interest if financed)
	+	\$400.00	Amount of financing and other costs you will have paid
	=	\$17,042.59	Total you will have paid in principal, interest, financing and other costs
<b>Annual Percentage Rate</b>		9.82%	Your costs over the term expressed as a rate. This is not your interest rate.
<b>Total Interest Paid</b>		34.59%	As a percentage of all the payments you will have made
<b>Property Value Determination</b>		\$1,000,000.00	Property values provided by third party vendors. Property value is one of several factors used to determine financing approval amounts.

<sup>2</sup> The annual assessment administration fee is subject to increase to an amount not to exceed \$70.00.

<sup>3</sup> Recording fees will be collected by your county recorder in connection with a prepayment or discharge of the assessment. These fees generally range between \$95 and \$125, but are subject to change in subsequent years, depending upon the county where the Property is located. The Program does not determine or guarantee the amount of the fees, which may exceed this estimate. Please contact your local county recorder for more information.



## Financing Estimate and Disclosure

16409 W. Bernardo Drive, San Diego, CA, 92127

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

**FINANCING PROVIDER** Renovate America: HERO Program  
**EMAIL** info@heroprogram.com  
**PHONE** (855) HERO-411

### Other Considerations

<b>Home Sale or Refinancing</b>	I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.	PO INITIAL
<b>Tax Payments and Monthly Mortgage Payments</b>	<b>Your payments will be added to your property tax bill.</b> Whether you pay your property taxes through your mortgage payment, using an impound account, or if you pay them directly to the tax collector, you will need to save an estimated \$1,704.26 for your first tax installment. If you pay your property taxes through an impound account, you should notify your mortgage lender, so that your monthly mortgage payment can be adjusted by your mortgage lender to cover your increased property tax bill.	PO INITIAL
<b>Tax Benefits</b>	Consult your tax advisor regarding potential tax credits, credits and deductions, tax deductibility, and other tax benefits available for the HERO Program. Making an appropriate application for the benefit is your responsibility.	PO INITIAL
<b>Statutory Penalties</b>	If your property tax payment is late, the amount due will be subject to a 10% penalty, late fees, and 1.5% per month interest penalty as established by state law and your property may be subject to foreclosure.	PO INITIAL
<b>Three Day Right to Cancel</b>	<p>You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation.</p> <p>To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:</p> <p>HERO Program 16409 W. Bernardo Drive San Diego, CA, 92127</p> <p>You may also cancel the contract by sending notification of cancellation by email to the email address cancellations@heroprogram.com or by calling 855-HERO-411 (855-437-6411).</p> <p>In addition to this three day right to cancel, you may choose not to proceed with your HERO financing at any time prior to signing the Completion Certificate.</p>	PO INITIAL
<b>Estimated Cost Savings</b>	I understand that any utility bill savings I might experience as a result of any installed product(s) financed through the HERO Program will depend on my usage, utility rates, and the efficiency of such product(s). Any estimated savings are not guaranteed and will not reduce my assessment payments or my total assessment amount.	PO INITIAL

Financing Estimate and Disclosure

Confirm Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is not a contract.

Joe Smith	Date	Property Owner 2	Date
Property Owner 3	Date	Property Owner 4	Date

SAMPLE

**P:** (855) HERO-411 **F:** (858) 815-6860 **E:** info@heroprogram.com**A:** 16409 W. Bernardo Drive  
San Diego, CA, 92127

**Date:** 01/03/2019  
**Property Owner(s):** Joe Smith  
**Property Address:** 123 Blueberry Ln, San Diego, CA 92127  
**HERO ID:** CA07300000  
**Application Date:** 01/03/2019  
**Expiration Date:** 06/22/2019

**Your Right to Cancel:**

You are entering into a contractual assessment with the Western Riverside Council of Governments (the "Authority") for HERO Financing under the California HERO Program ("Program") that will result in a lien on the property at 123 Blueberry Ln, San Diego, CA 92127.

You may cancel this transaction, without cost, on or before midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.


If you cancel the transaction, the Authority, within 20 calendar days after the Authority receives notice of cancellation, must take the steps necessary to reflect the fact that, if recorded, the lien on your property has been discharged and removed from the tax rolls, and the Authority must return to you any money you have given in connection with your application, not including the application processing fee. After the Authority has done the things mentioned above, you must return any money paid to you or on your behalf, whether to your contractor or any other person. All money must be returned to the address below.

If you cancel the transaction:

- You will not be charged a cancellation fee; and
- You will be refunded any money you have given, excluding application and processing fees as applicable.

**Acknowledgement of Receipt**

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

	_____ Joe Smith	_____ Date	_____ Property Owner 2	_____ Date
	_____ Property Owner 3	_____ Date	_____ Property Owner 4	_____ Date

**How to Cancel**

To cancel this transaction, you may submit this form to the Authority in writing at:

Provider: California HERO Program  
ATTN: Right to Cancel Notification  
Email: cancellations@heroprogram.com  
Fax Number: 858-815-6860  
Address: 16409 W. Bernardo Drive  
San Diego, CA, 92127





P: (855) HERO-411 F: (858) 815-6860 E: info@heroprogram.com

A: 16409 W. Bernardo Drive  
San Diego, CA, 92127

## Deadline to Cancel:

If you want to cancel this transaction, you must submit this form on or before midnight on the third business day after whichever of the following events occurs last:

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

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

- (1) The date on which you signed the contractual assessment.
- (2) The date you received your Financing Estimate and Disclosure.
- (3) The date you received this notice of your right to cancel.

## I Wish to Cancel



Joe Smith

Date

Property Owner 2

Date

Property Owner 3

Date

Property Owner 4

Date





# HERO Financing Program™ Completion Certificate

P: (855) HERO-411

A: 16409 W. Bernardo Drive, San Diego, CA, 92127

E: herofunding@heroprogram.com

<b>Date:</b>	01/03/2019	<b>HERO ID:</b>	CA07300000
<b>Property Owner(s):</b>	Joe Smith	<b>Application Date:</b>	01/03/2019
<b>Property Address:</b>	123 Blueberry Ln, San Diego, CA 92127	<b>Expiration Date:</b>	06/22/2019

## Completion Certificate Instructions

AFTER all work has been completed, the contractor and one of the property owners must sign this Completion Certificate. This Completion Certificate and attachments that may be required must then be submitted to the Program. The Program will then approve the Completion Certificate and process payment.

The Program may require the submission of the following:

- A fully executed home improvement contract, including all pages and addendums from all contractor(s), a product invoice(s) if self-installed
- Product related attachments, if applicable (see Product Details below)
- Initial or final permit(s), as applicable
- Copy of the contractor's business license for this jurisdiction if one or more products did not require a building permit

## Contractor

<b>Company Name:</b>	Jaime's Contractor Services	<b>Phone:</b>	(555) 555-5555
<b>CSLB No:</b>	xxxxxxx	<b>Address:</b>	456 Peach Ln, San Diego, CA 92127

**Payment Instructions:** On file and can be updated from within the contractor portal or if payment is to be made to the Payment Designee as set forth in the Payment Designee section below.

The undersigned representative of the contractor hereby certifies that:

1. I am an authorized representative of the contractor listed above and am thereby duly authorized to execute this Certificate of Completion;
2. The contractor listed above has completed the installation of the products set forth in the Installed HERO Product Details section below on the property listed above;
3. I have no reason to believe that the products installed on the property are not complete to the satisfaction of the property owner;
4. The Total Requested Product Amount will be used solely to pay for the installation of products set forth in the Installed HERO Product Details section below;
5. The property owner(s) signed this Completion Certificate after the installation of the products and it has no reason to believe that any signature on this Certificate is not genuine;
6. The company listed above has the correct licensing/classifications from the Contractor State Licensing Board to install the products listed on this Completion Certificate;
7. The contractor has provided all attachments that may be required with this Completion Certificate and the attached documents are true and correct copies thereof;
8. The contractor hereby transfers and assigns its right to receive HERO Funding to the Payment Designee for the Total Approved Financing Amount for this Completion Certificate if the instructions below indicate that payment should be paid to the Payment Designee; and
9. The contractor hereby transfers and assigns its rights to Program Fund Monies to Renovate America, Inc. or its affiliates.

Authorized Contractor Representative Signature

Date

Printed Name

## HERO Funding Amount to be paid:

<input type="checkbox"/>	<b>Contractor</b>	_____
<input type="checkbox"/>	<b>Property Owner</b>	_____
<input type="checkbox"/>	<b>Payment Designee</b>	_____

## Payment Designee:

**Company Name:**

**Contact Name:**

**Phone:**

**Address:**

## Installed HERO Product Details

Heating, Cooling & Ventilation – Air Conditioners	
<b>Product Category Type:</b>	Heating, Cooling & Ventilation – Air Conditioners
<b>AHRI Number:</b>	<number>
<b>Trade/Brand:</b>	<brand>
<b>Outdoor Unit Manufacturer:</b>	<manufacturer>
<b>Outdoor Unit Model:</b>	<model>
<b>Indoor Unit Manufacturer:</b>	<manufacturer>
<b>Indoor Unit Model:</b>	<model>
<b>Furnace Model:</b>	<model>
<b>Cooling Capacity (BTUh):</b>	<units>
<b>SEER:</b>	<seer number>
<b>EER:</b>	<eer number>
<b>Quantity:</b>	<quantity>
<b>Programmable Thermostat:</b>	Yes

<p>I agree the products listed above have been installed and the work is complete. I agree that payments should be made for the products and labor.</p>	<p>_____</p> <p>Property Owner Initial</p>
---	--

## Property Owner

HERO Products Installed	
1	Heating, Cooling & Ventilation – Air Conditioners
<b>Total Requested Product Amount</b>	<b>\$10,000.00</b>
HERO Program administration costs and recording fees <sup>1</sup>	\$747.00
Interest before first payment <sup>2</sup>	\$578.19
<b>TOTAL AMOUNT TO BE FINANCED FOR THIS PROJECT<sup>3</sup></b>	<b>\$11,325.19</b>

<b>HERO Payment to Contractor</b> (HERO pays to contractor or other payee upon project funding) <sup>4</sup>	<b>\$10,000.00</b>
--	--------------------

1. Program costs to provide financing for your improvement. These costs include municipal bond issuance costs and the cost of processing your paperwork. It also includes the fees paid to the county to record and process the financing documents.
2. This is the interest accrued from your estimated closing date to September 2<sup>nd</sup> of the year in which you make your first assessment payment, in accordance with the Improvement Bond Act of 1915.
3. All amounts are estimates based on a project expiration date of 06/22/2019. Actual amounts will be calculated based on the actual project completion date, and will be listed on the Final Payment Summary.
4. In connection with this transaction, Renovate America, Inc. may require that your contractor pay Renovate America, Inc. a fee. This fee may be deducted from the amount to be paid to your contractor. Your contractor has agreed not to charge you a different amount for a home improvement project if you finance that project through the program instead of paying for the project with cash.

**IMPORTANT NOTICE: PLEASE DO NOT SIGN THIS DOCUMENT UNTIL THE WORK IS COMPLETE**

I, the undersigned, certify that:

1. I am authorized to execute this certificate on behalf of all of the property owners.
2. The products identified in the Install HERO Product Details above are the products installed on my property, which is identified on the cover page hereof, and are completed to the satisfaction of all property owners;
3. I understand that the selection of the contractor and acceptance of the materials used and the work performed is my responsibility and that the HERO Program, Western Riverside Council of Governments, and/or Renovate America, Inc. do not endorse any contractor or any other person involved with the products, the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the products;
4. I understand that the HERO Program has the right to inspect any installed products listed on this Completion Certificate;
5. The Total Requested Product Amount will be used solely to pay for the installation of products set forth in the Installed HERO Product Details section above;
6. I have obtained, or will obtain, all necessary final permits and/or inspections required in my jurisdiction;
7. I hereby transfer and assign my right to HERO Funding to the Contractor and/or Payment Designee for the Total Approved Financing Amount for this Completion Certificate if I indicated that payment should be paid to the Contractor and/or Payment Designee above;
8. I hereby transfer and assign my right to Program Fund Moneys to Renovate America, Inc. or its affiliates; and
9. **I have the authority to make all certifications and sign this Completion Certificate for and on behalf of all other Property Owners.**

\_\_\_\_\_  
Joe Smith

\_\_\_\_\_  
Date