



[Property Owner Names]

[Property Address]

Energy Efficient Equity

Phone 844-622-5533
Fax 844-622-5533
eMail info@energyefficientequity.com
Address 12100 Wilshire Blvd Suite 800
Los Angeles CA 90025
www.energyefficientequity.com

Energy Efficient Equity

Smart Financing for a sustainable future.

Thank you for choosing Energy Efficient Equity ("E3"), the smart choice for financing your home improvements.

The CMFA PACE (Property Assessed Clean Energy) program is an innovative public-private partnership, designed to improve communities by providing low cost financing for energy, water and seismic improvements. The process is simple: work with your contractor to determine which improvements you want, E3 provides the financing and you make payments as part of your property taxes over the improvement's useful life.

Instructions

1. Sign Financing Documents
2. Install Improvements
3. Sign Completion Certificate
4. Enjoy Your Improvements
5. Tell your Friends!

Contact

Representative	[Name]
Phone	[Phone]
eMail	[email]

Contents

Application
Truth-in-PACE™ Disclosure Statement
Right to Cancel
Project Definition(s)
Assessment Contract
Completion Certificate(s)

Application

Property Information

Address [Property Street Address], [City], [State] [Zip]

Property Type [Property Type]

Owner(s) Information, [Vesting type]

Name [Owner Full Name]

Contact [Owner Phone], [Owner Email]

SSN & DOB ●●● ●● [4ssn], [01/01/2001]

Annual Income \$[0,000]

Mailing Address [Property Street Address], [City], [State] [Zip]

Name [Owner Full Name]

Contact [Owner Phone], [Owner Email]

SSN & DOB ●●● ●● [4ssn], [01/01/2001]

Annual Income \$[0,000]

Mailing Address [Property Street Address], [City], [State] [Zip]

Property Owner Acknowledgments

By signing this Application, I acknowledge and represent that I and any other owner(s) of the property which is the subject of this application (the "Property") meet these qualifications and I authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustees whose social security number is provided on this application to verify such representations.

- I am current on all property taxes for the Property and have not had a late payment in the past three (3) years (or since the purchase of the Property if owned less than three (3) years).
- I am current on property related debt and have not been delinquent on such debt by more than 60 days during the past twelve (12) months.
- I am not aware of any involuntary liens, defaults or judgments in excess of \$1,000 on the Property.
- I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this application.
- I am not party to an open bankruptcy proceeding, the property is not subject to a bankruptcy proceeding and I have not declared bankruptcy in the last three years.

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

- That the information provided in this Application is true and correct as of the date set forth herein.
- I have received, read and understood the Program Handbook and sample Financing Documents.
- I am applying to participate in the Program, have the authority, without the consent of any third party, to execute and deliver this Application, the Assessment Contract, and the various other documents and instruments referenced herein.
- I understand that the financing provided by the Program will be repayable through an assessment levied against the Property.
- I understand that an assessment lien will be recorded by the Program against the Property in the office of the County Recorder upon execution of the Assessment Contract.
- I understand that the property tax bill (which includes my assessments) for the Property will increase by the amount of these assessment installment payments as specified in the Assessment Contract.
- I understand, 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.

Terms and Conditions

Interest Rate	You will be charged a fixed interest rate on your total financed amount. Your interest rate will be set at the time your Financing Documents are issued.
Initial Administration Fee	At the time of closing, you will be charged a one-time administration fee equal to [0.0]% of the principal amount of the assessment on the Property to cover the costs of administering the Program. This fee will be added to the assessment amount.
Recording Fee	At the time of closing, you will be charged a one-time recording fee equal to \$[0] to cover the costs of recording the assessment. This fee will be added to the assessment amount.
Reserve Deposit	At the time of closing, you will be charged a one-time reserve deposit fee equal to [0.00]% of the principal amount of the assessment to be used to pay debt service on a related series of bonds. This fee will be added to the assessment amount. Upon the final redemption date of the related series of bonds, a pro rata portion of the balance in the bond reserve account will be applied to the final Assessment payment.
Annual Ongoing Administration Fee	Each year, an annual administrative fee will be added to the assessment lien amount on your property tax bill. The cost for the first year is \$[0] and will be adjusted in subsequent years to meet the ongoing Program requirements. A fee equal to the first year annual ongoing administration fee will also be added to the assessment amount to cover the Program administrative expenses between the Assessment recording date and first assessment payment date.
Interest Before First Payment	Based on the date the assessment is recorded on your property, payments may not begin until the following year's tax statement. Interest Before First Payment is the amount of interest that is added to the assessment amount for the period between your closing date and the first payment date.
Prepayment	The Assessment may be prepaid, in whole or in any amount of at least \$5,000, at any time subject to terms of your assessment contract.
Additional Fees	The Program may apply additional eligible fees to your assessment as defined in the Program Handbook and subject to the terms of your assessment contract.

Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. Energy Efficient Equity 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 request any document related to the Program.

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 Program.

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 IT IS YOUR RESPONSIBILITY TO NOTIFY THEM OF THE ANNUAL ASSESSMENT PAYMENT AMOUNT SO THEY CAN ADJUST YOUR IMPOUND AMOUNT.

<u> </u> [Initials]	<u> </u> [Initials]
<u> </u> [Name]	<u> </u> [Name]

Federal Housing Finance Agency Alert

In May, 2010, Fannie Mae and Freddie Mac, government sponsored enterprises that purchase a large segment of conforming single family home mortgages, issued new instructions to lending institutions on how to treat properties with assessments under Property Assessed Clean Energy (PACE) programs such as the California Municipal Finance Authority's PACE program. These letters, and additional statements issued by the Federal Housing Finance Agency, the agency that regulates single family

home lenders, instruct lenders to treat energy assessments as “loans” instead of “assessments.”

On August 31, 2010, the agencies issued additional instructions to lenders that Fannie Mae and Freddie Mac “will not purchase mortgage loans secured by properties with an outstanding PACE obligation.”

These letters and statements may lead lenders to conclude the PACE assessment should be paid off before a property transfers or is refinanced. In addition, it may lead some lenders to conclude that participating in PACE program is a violation of typical mortgage terms prohibiting prior liens without lender consent. If you are selling your property, a buyer’s lender may refuse to finance the buyer’s first mortgage loan unless the assessment is paid off. We urge you to carefully read the disclosure information in the Program application, review your mortgage documents, evaluate the risks of proceeding with an application at this time, and contact your lender if you have any concerns or for information regarding any other financing options that may be available to you.

<u> </u> [Initials]	<u> </u> [Initials]
<u> </u> [Name]	<u> </u> [Name]

Electronic links to the copies of letters from the Federal Financing Housing Authority re: PACE programs:

- <https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/ll1006.pdf>
- <http://www.freddiemac.com/singlefamily/guide/bulletins/pdf/iltr050510.pdf>
- <http://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Statement-on-Certain-Energy-Retrofit-Loan-Programs.aspx>
- <http://www.fhfa.gov/Media/PublicAffairs/Pages/Statement-of-FHFA-Acting-Director-Edward-J-DeMarco-on-PACE-Programs.aspx>
- <https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/sel1012.pdf>
- <http://www.freddiemac.com/singlefamily/guide/bulletins/pdf/bll1020.pdf>

Foreclosure

Not later than October 1 each year, the Authority shall determine whether any annual assessment installment is not paid when due and shall have the right 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.

Transfers

Property owner hereby agrees to provide copies of the Assessment Contract, Final Cost and Payment Summary and Program Handbook to any subsequent purchaser or transferee of the Property 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. 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 the Contract to Pay Assessment; Prepayment section of the Assessment Contract.

Property Value Model

The Program uses a computerized Property Value Model to determine your eligible financing amount. You have a right to receive a copy of the Property Value Report used in connection with this application. To obtain a copy of this report contact Energy Efficient Equity and submit a request. The Property Value Model is not an Appraisal.

No Endorsement

The Program and Energy Efficient Equity 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 and make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, Energy Efficient Equity and the Program shall not be in anyway liable for any incidental or consequential damages resulting from the equipment or its installation.

Inspection

At any time during the Term of the Assessment, Energy Efficient Equity and the Program may Inspect and Validate that installed Eligible Improvements meet Program eligibility requirements. Energy Efficient Equity and the Program reserve the right to perform independent on-site Inspections of any Eligible Improvements financed by the Program.

Analysis

During the term of the Assessment, Energy Efficient Equity and the Program reserve the right to monitor and track energy systems' generation data, if applicable, and utility usage via property utility bill data. By submitting this application, you consent to any such 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.

Compliance

Energy Efficient Equity and the Program are subject to certain terms in the: Equal Credit Opportunity Act (ECOA); Fair Credit Reporting Act; Housing Financial Discrimination Act of 1977 and the Patriot Act. As such, your Information may be obtained by the Program and shared with the applicable Agency to maintain compliance with the Law.

Property Owner Signature(s)

I declare that (i) I have received, read, and understand the risks and characteristics of the Program described in the Program Handbook, sample financing documents, and Disclosures set forth in this Application (ii) I have been informed that I must take the sole responsibility to satisfy myself that executing the Assessment Contract, receiving financing from the Program, and consenting to the assessment levied against the Property will not constitute a default under any other agreement or security instrument (specifically the terms of any mortgage on the Property) which affects the Property or to which I am a party. I hereby authorize the Program to obtain my credit information.

[Owner Full Name]	[Signature]		
Identity Verification Code	[ID Code]	Date	[01/01/2001]
[Owner Full Name]	[Signature]		
Identity Verification Code	[ID Code]	Date	[01/01/2001]

Truth-in-PACE™ Disclosure Statement

Property Information

Owners	[Owner Names]
Address	[Property Address]
APN	[Assessor Parcel Number]
Transaction #	[E3 File ID]

Summary of your Financing

Amount Financed	Financing Term	Interest Rate	Payment Amount
[\$0]	[0] Years	[0.00]%	[\$0]
Cost of your Improvements	Number of years that payments will be added to the Property Tax Bill.	The annual cost of the financing, as a percentage.	The estimated amount due on your Semi-Annual Property Tax Bill

Important Dates

Application Date	Expiration Date	Recording Date	First Payment Date
[01/01/2001]	[01/01/2001]	[01/01/2001]	[01/01/2001]
Date your application was submitted.	Your Improvements must be completed before this date to be eligible for Financing.	The estimated Date that the Assessment is recorded on the Property with the County.	The first property tax payment date.

If your Assessment is recorded on or before May 30, [2001] your first payment will be included on your November 2015 property tax bill. If your Assessment is recorded After May 30, [2001] your first payment will be included on your November [2002] property tax bill. Upon receiving your payments, your county will remit payment to service debt on the related municipal bond each March 2nd and September 2nd during the Financing Term.

Items payable in connection with Financing

Program Administrative Expenses \$[0]

The estimated costs to provide financing for your Improvements. Includes; Processing, Ongoing annual administrative and Bond Issuance expenses.

Recording Fee \$[0]

Fee paid to your County to Record and process your Assessment.

Interest Before First Payment \$[0]

The estimated amount of interest accrued between the Recording Date and the first payment date on a related municipal bond.

Reserve Deposit \$[0]

Deposit for debt servicing on related Bond.

Other Fees \$[0]

[Fee Name]

Calculations

Total Settlement Charges \$[0]

The Dollar Amount that the Financing will cost you.

Prepaid Amount \$[0]

The Dollar Amount Prepaid to your contractor.

Total Assessment Amount \$[0]

The total Assessment levied on your property.

Annual Assessment Amount \$[0]

The Amount added to your property taxes each year during the Term. Includes Principal, Interest, and \$95 for Administrative expenses.

Total of Payments \$[0]

The total amount you will have paid after you make all payments including principal, interest, settlement charges, and fees.

Annual Percentage Rate [0.00]%

The yearly cost of the financing, expressed as a percentage. This is not your interest rate.

Total Interest Percentage [0.00]%

The total amount of interest you will pay over the financing term as a percentage of the total Payments.

Important Financing Terms

Is the Interest Rate Fixed?	Yes
Can the Balance Increase?	No
Is there a Prepayment Penalty?	No
Is there a Balloon Payment?	No
Is the Interest Tax Deductible?	Consult with a tax professional

Understanding what can change at Settlement

This Truth-in-PACE™ Disclosure Statement estimates your settlement charges based on an Assessment Recording date of [01/01/2001]. Actual amounts will be calculated based the Actual recording date of your Assessment and will be listed in the Final Cost and Payment Summary.

Items that **Cannot** Increase at settlement

- Interest Rate
- Amount Financed
- Recording Fee
- Reserve Deposit

Items that **Can** Increase at settlement

- Program Administrative Expense
- Interest before first payment

What you should know before hiring a contractor

By law, anyone in California who contracts for or bids on a construction project valued at \$500 or more (combined labor and material costs) must be licensed by the Contractors State License Board (CSLB). To qualify for a license, a contractor must verify four years of journey-level experience in the trade, pass both a trade and license law and business examination, and post a license bond. Since 2005, all new contractors have been required to pass a criminal background check. Contractors are required to put their CSLB license number in all advertisements. Ask to see the contractor's plastic pocket license and photo identification.

Construction Project Checklist:

- Check the contractor license number at www.cslb.ca.gov to make sure it is current and in good standing.
- Ask to see the contractor's pocket license and a current photo ID.
- Ask for a list of current contact information (telephone number and business address) for the contractor, subcontractors, and suppliers.
- Find out from your local building department whether your project needs a building permit and confirm that your contractor will obtain all necessary permits.
- Get at least three contractor bids and references, and check out, in person, each prospective contractor's recent similar projects.
- Ask whether your contractor carries general liability insurance for employees in case accidental damage occurs during the project, and workers' compensation insurance for employees.
- Make sure all project materials and expectations are spelled out and signed in a written contract, including clean-up, debris removal, and site security.
- Ask your contractor if he or she understands your project expectations
- Schedule and document each phase of your project and the corresponding payment schedule. Do not let payments get ahead of the work.
- Pay no more than 10% down or \$1,000, whichever is less. There is an exception to this rule for contractors who have filed a blanket performance and payment bond with CSLB's Registrar. This information is noted on the contractor's license detail page on CSLB's website.
- Avoid paying in cash.
- Keep all of your project documents, including payments and photographs, in a job file
- Try researching your contractor's name online for additional reviews

Questions

If you have questions about the financing terms or costs on this form, contact Energy Efficient Equity at:

Phone 844-622-5533
Fax 844-622-5533
Email info@energyefficientequity.com
Address 12100 Wilshire Blvd Suite 800
 Los Angeles CA 90025
 www.energyefficientequity.com

Acknowledgements

I understand that by participating in the Program an Assessment will be levied on my property which will result in an additional payment that will be added to my Property Tax Bill and:

If I refinance my property, my mortgage company may require me to pay off the remaining balance.	[Initials] _____	[Initials] _____
	[Name]	[Name]

If I sell my property, the Buyer or their mortgage company may require me to pay off the remaining balance.	[Initials] _____	[Initials] _____
	[Name]	[Name]

If I pay my property taxes using an impound account I need to save an estimated \$[0] for my first payment in November [2001] or cause the trustee of such impound account to adjust my payments upon settlement.	[Initials] _____	[Initials] _____
	[Name]	[Name]

I should consult a qualified tax professional regarding the tax deductibility of the interest payments and other potential tax benefits of participation in the Program and ownership of eligible improvements financed by the Program.	[Initials] _____	[Initials] _____
	[Name]	[Name]

If I pay my property tax payment 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 my property may be subject to foreclosure.	[Initials] _____	[Initials] _____
	[Name]	[Name]

Confirmation of Receipt

I declare that I have received, read, and understand this Truth-in-PACE™ disclosure statement.

[Owner Full Name]	[Signature]	

Identity Verification Code	[ID Code]	Date	[01/01/2001]
----------------------------	-----------	------	--------------

[Owner Full Name]	[Signature]	

Identity Verification Code	[ID Code]	Date	[01/01/2001]
----------------------------	-----------	------	--------------

Right to Cancel

Financing ID [E3 ID Number]
Owners [Owner Full Name], [Phone], [Email]
[Owner Full Name], [Phone], [Email]
Property Address [Property Address]

Your Right to Cancel You are entering into an Assessment Contract with the California Municipal Finance Authority ("CMFA") for Financing under the CMFA Energy Efficient Equity Program ("Program") that will result in a lien on the property at [Property Address]. Under the Program, you may cancel this transaction, without cost, within three (3) business days from the date on which you signed the Assessment Contract.

If you Cancel If you Cancel the transaction the Program will:

- Not Charge you a cancellation fee;
- Refund any money you have given the Program, excluding application and processing fees as applicable; and
- If the lien on your property has been recorded, take the necessary steps to discharge such lien within 20 calendar days after receiving your notification to cancel financing.

How to Cancel To Cancel this transaction, you may submit this form to Energy Efficient Equity in writing at:

Energy Efficient Equity
Attn: Right To Cancel Notification
10880 Wilshire Blvd, Suite 1101
Los Angeles, 90025
Fax (844) 622-5533

Deadline to Cancel If you cancel by mail, fax or email, you must send the notice no later than midnight of the third business day following the date on which you signed the Assessment Contract. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than the time indicated above.

Acknowledgement of Receipt

[Owner Full Name]

[Signature]

Identity Verification Code [ID Code] Date [01/01/2001]

[Owner Full Name] [Signature]

Identity Verification Code [ID Code] Date [01/01/2001]

I Wish to Cancel

(Only Sign here if you are canceling your financing)

If two or more people have the right to cancel this financing, cancellation by one person is effective for all of them.

Print Name

Signature

Date

Project Definition

Contractor [Company Name]
 Address [Company Address]
 Contact [Name], [Phone], [Email]

Property Address [Property Address]
 Owners [Owner Full Name], [Phone], [Email]
 [Owner Full Name], [Phone], [Email]

Improvements	Price	Qty	Amount
[Make], [Model] [Description]	[\$0.00]	[0]	[\$0.00]
[Make], [Model] [Description]	[\$0.00]	[0]	[\$0.00]
[Make], [Model] [Description]	[\$0.00]	[0]	[\$0.00]
Total Cost of Improvements			[\$0.00]

This project definition is used to determine the total financing amount requested for your assessment. This project definition along with the requested financing amount will be submitted to the CMFA for approval. If the CMFA approves the project for financing, you and your contractor will receive a notice to proceed. The program makes no commitment to finance this project until you receive the notice to proceed.

Assessment Contract

CALIFORNIA MUNICIPAL FINANCE AUTHORITY PACE PROGRAM

THIS ASSESSMENT CONTRACT (this "Contract"), dated as of [01/01/2001], is by and between the California Municipal Finance Authority (the "Authority"), and the record owner[s], [Property Owner Names] (the "Property Owner") of the fee interest in the real property described 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;

WHEREAS, the Authority has established the CMFA PACE Program (the "Program") to allow the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time 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 Section 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments;

WHEREAS, Chapter 29 provides that assessments may be levied under the provisions thereof 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;

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 (the "Participating Entity");

WHEREAS, the Authority has appointed Energy Efficient Equity Inc, as a program administrator (together with any successors thereto, the "Program Administrator") for the Program as it pertains to this Contract;

WHEREAS, the Property is located in the boundaries of the Participating Entity, and the Participating Entity has consented to (a) owners of property within its jurisdiction (the "Participating Property Owners") participating in the Program and (b) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance or refinance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner desire to enter into this Contract, pursuant to which the Property Owner will agree to pay an assessment in order to finance or refinance the installation of the Authorized Improvements described in Exhibit A (the "Improvements") and the Authority will 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

1 Purpose.

The Property Owner and the Authority are entering into this Contract for the purpose of financing or refinancing the installation of the Improvements identified on Exhibit A.

2 The Property.

This Contract relates to the Property, which is described on Exhibit A. The Property Owner has provided to the Authority evidence that the Property Owner is the owner of the fee interest in the Property and possesses all legal authority necessary to execute this Contract.

3 Assessment; Bonds; Installment; Prepayment; Collection.

(a) The Assessment. The Property Owner hereby freely and willingly agrees that an assessment in the amount specified in Exhibit B (the "Assessment") shall be levied by the Authority on the Property pursuant to Chapter 29. The amount of the Assessment shall be the amount specified in Exhibit B, which includes an amount to pay the costs of the Improvements, an amount to pay incidental expenses and, if so specified in Exhibit B, an amount for capitalized interest on bonds to be issued. The Property Owner acknowledges and agrees that the amount of the Assessment does not exceed the special benefit conferred on the Property by the installation of the Improvements thereon.

(b) Bonds. The Authority hereby determines that serial bonds, term bonds or both (the "Bonds") shall be issued as provided in the 1915 Act to represent and be secured by the Assessment to pay the cost of the Improvements. The per annum interest rate born by the Bonds shall not exceed the Maximum Interest Rate specified in Exhibit B. The final maturity date of the Bonds shall be no later than the Final Maturity Date specified in Exhibit B.

(c) Interest; Assessment Installments. Interest on the Assessment shall begin to run from the date of the Bonds and shall be computed at the rate specified in the Bonds. The unpaid Assessment shall be payable in annual installments corresponding in number and in the pro rata share of the proportionate amount to the number of installments and principal amount of Bonds maturing or becoming subject to mandatory prior redemption in each year. An annual proportion of the Assessment shall be payable in each fiscal year preceding the date of maturity or mandatory prior redemption date of each of the Bonds, sufficient to pay the pro rata share of the Bonds when due.

(d) Collection. The annual proportion of the Assessment coming due in any year, together with the annual interest thereon, shall be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

(e) Administrative Expenses. In addition to the annual installment of the Assessment described in subsection (c) of this Section, the Authority shall, in accordance with and subject to the limitations contained in Section 8682 and Section 8682.1 of the 1915 Act, add thereto amounts to in order to pay for the costs of collecting the Assessment, the annual administration of the Assessment, the annual administration of the Bonds and other administrative costs (the "Annual Assessment Administrative Fee").

(f) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in any amount of at least \$5,000, at any time upon the payment of (i) the amount of any delinquent installments of principal or interest on the Assessment, together with penalties accrued to the date of prepayment, plus (ii) the whole or, subject to the minimum amount set forth in this subsection, a portion of the unpaid non-delinquent

principal of the Assessment (the "Assessment Prepayment Amount"), plus (iii) interest on the Assessment Prepayment Amount to the earlier of March 2 or September 2 occurring at least 50 days following the date the prepayment is made, plus (iv) \$[0.00], for the cost of administering the prepayment and the redemption of bonds (v) an amount equal to [0]% of the Prepayment Amount, necessary to redeem the principal amount of Bonds corresponding to the amount of the Assessment Prepayment Amount.

(g) No Reduction or Offset. The Property Owner hereby acknowledges and agrees that the Assessment will not be subject to reduction, offset or credit of any kind in the event that the Improvements fail to perform in any way or for any reason.

4 Lien; Foreclosure.

(a) Lien. The Assessment, and each installment thereof and the interest and penalties thereon shall constitute a lien against the Property until they are paid, which lien shall be coequal to and independent of the lien for general taxes.

(b) Foreclosure. The Property Owner acknowledges and agrees that if any Assessment installment is not paid when due, the Authority has the right to have such delinquent 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 the Authority may obligate itself, through a covenant with the owners of the Bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment installments under circumstances specified in such covenant.

5 Financing or Refinancing of the Improvements.

The parties hereby agree that the net proceeds of the Bonds allocable to the Assessment shall be used to finance or refinance the Improvements.

6 Term; Contract Runs with the Land; Division.

(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) The obligation to pay the Assessment is an obligation of the Property and no agreement or action of the Property Owner shall 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.

(d) In the event the Property is divided while the Assessment remains unpaid, the unpaid installments of the Assessment shall be segregated and apportioned in accordance with the benefits to the original lot or parcel plus costs and fees of making the apportionment.

7 Recordation of Documents.

The Authority shall record or 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.

8 Notice.

To the extent required by applicable Law, the Property Owner shall provide written notice to any subsequent purchaser of the Property, or a portion thereof, of the obligation to pay the Assessment.

9 Waivers, Acknowledgment and Contract.

(a) Since the Assessment is voluntary and imposed, in accordance with Chapter 29, pursuant to this Contract, 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.

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

(c) 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 or refinancing of the installation of the Improvements, and that neither the Authority nor the Participating Entity has any responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. 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, program administrators, 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, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

(d) 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, OWNER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

[Owner Name]	[Initials] _____
[Owner Name]	[Initials] _____

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

10 Indemnification.

(a) The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, advisors, employees, program administrators, 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 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. (b) The provisions of this Section shall survive the termination of this Contract.

11 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.

12 Carbon Credits.

The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority or its assignees.

13 Program Application.

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

14 Amendment.

This Contract may be modified or amended only by the written agreement of the Authority and the Property Owner.

15 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 Authority intends to delegate certain of its functions under this Contract to the Program Administrator and may pledge and assign this Contract to a trustee as security for the Bonds.

16 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.

17 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.

18 Corrective Instruments.

The Authority and the Property Owner shall, 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.

19 Governing Law: Venue.

This Contract shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Contract shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Los Angeles; provided, however, that actions to foreclose delinquent installments of the Assessment shall be filed and maintained in the Superior Court of California in the County identified in Exhibit A.

20 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.

21 Monitoring and Recording of Telephone Calls.

The Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Contract the Property Owner agrees to have his, her or its telephone calls with the Program recorded.

22 Electronic Signatures.

(a) The parties hereto acknowledge and agree that this Contract may be executed by one or more electronic means ("Electronic Signatures"). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Contract by such party to all other parties to or relying on this Contract. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Contract as signed. Each party hereto agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each party hereto agrees to accept Electronic Signatures provided by any and all other parties to this Contract as (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Contract, and (iii) constituting this Contract an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Contract, each party hereto hereby accepts the terms of, and intends and does sign, this Contract by its Electronic Signature hereto.

23 Contract Documents.

(a) The Property Owner acknowledges and agrees that the entire agreement between Property Owner and the Authority includes each and every document specified in the List of Documents contained in Exhibit B (collectively, the "Contract Documents").

(b) By executing this Contract, the Property Owner acknowledges and agrees that:

(i) The 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 of the Authority that Property Owner may have regarding such Contract Documents;

(ii) The Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in the Program Handbook (as defined in Exhibit B to this Contract, the "Program Handbook");

(iii) The Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Program Handbook; and

(iv) Prior to executing this Contract has read and understands the Property Owner's Acknowledgments and Disclosures contained in the (A) Application, (B) this Contract, (C) the Privacy Notice, and (D) the Program Handbook

24 Execution and Return of Contract.

The Property Owner must execute and return this Contract to the Authority at the address set forth in the "Notice Information" section of Exhibit A so that it is received by the Authority not later than [01/01/2001]. If the Property Owner fails to return this Contract so executed to the Authority by the indicated date, the Program reserves the right to require the Property Owner to enter into a new Contract. The signature of each person signing as or on behalf of the Property Owner must be notarized by a duly licensed notary unless all such persons have previously successfully completed the identity verification process approved by the Authority.

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.

Property Owner(s):

[Owner Name]	[Signature]	<hr/>	
Identity Verification Code	[ID Code]	Date	[01/01/2001]

[Owner Name]	[Signature]	<hr/>	
Identity Verification Code	[ID Code]	Date	[01/01/2001]

Authority:

Authorized Signatory	[Signature]	<hr/>	
Name	[Name]	Date	[01/01/2001]

EXHIBIT A

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

Description of Property:

Property Owner(s): [Owner Full Name]
[Owner Full Name]

Property Address: [Property Address]

APN: [Assessor Parcel Number]

County: [County]

Description of Improvements:

The Improvements consist of the following:

[Improvement Description]

[Improvement Description]

[Improvement Description]

Notice Information:

Administrator: Energy Efficient Equity

Attn: Assessment Notice
12100 Wilshire Blvd Suite 800
Los Angeles CA 90025

Property Owner: [Owner Names]
[Property Address]

EXHIBIT B

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

List of Contract Documents:

This Contract shall consist of the following documents:

- This Contract and the exhibits hereto;
- The Application;
- The Truth-In-PACE™ Disclosure Statement
- The Completion Certificate;
- The Assessment Cost and Payment Summary;
- The Notice of Assessment and Payment of Contractual Assessment Required;
- The Program Handbook; and
- The Program website located at www.energyefficientequity.com.

Assessment:

The amount of the Assessment is \$[0.00] (the "Assessment Amount"), of which \$[0.00] is allocable to the cost of the Improvements, \$[0.00] is allocable to incidental expenses and \$[0.00] is allocable to capitalized interest.

Bonds:

The Maximum Interest Rate to be borne by the Bonds is [0.00]% per annum.

The Final Maturity Date of the Bonds shall be no later than September 2, [2001].

Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum annual installments of the Assessment is based on the following assumptions:

1. Bonds allocable to the Assessment are issued in an amount equal to Assessment Amount.
2. The Bonds bear interest at a rate equal to the Maximum Interest Rate.
3. The final maturity date of the Bonds is the Final Maturity Date.
4. The Assessment Interest Rate is [0.00]%.
5. The Annual Percentage Rate (APR) attributable to the Assessment is [0.00]%. APR is the Effective Cost of Credit in consumer loans and real estate loans expressed as a percentage interest rate. The annual percentage rate is the interest rate the borrower actually pays, including fees required in order to participate in the Program.
6. The total administrative fees, recording fees and other fees and costs added to your assessment is \$[0.00]

Tax Year (Commencing July 1)	Interest	Principal	Total Assessment	Annual Administrative Assessment Fee ¹	Total Estimated Contractual Assessment Payment
[2001]-[2002] ²	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]
[2001]-[2002]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]
[2001]-[2002]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]
[2001]-[2002]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]
[2001]-[2002]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]	\$[0.00]

¹ Estimated, subject to change

² The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Recording Date; the actual Initial Tax Year will be based upon the actual Recording Date.

UPON THE ISSUANCE OF THE BONDS, THE ACTUAL ANNUAL ASSESSMENT INSTALLMENTS WILL BE DETERMINED IN ACCORDANCE WITH THE 1915 ACT, AS DESCRIBED IN THIS CONTRACT. THE SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY THE AUTHORITY IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF [COUNTY NAME].

Prepayment:

The Assessment may be prepaid, in whole or in part, as described in Section 3(f) of this Contract.

Completion Certificate

Contractor [Company Name]
Address [Company Address]
Contact [Name], [Phone], [Email]

Owners [Owner Full Name], [Phone], [Email]
[Owner Full Name], [Phone], [Email]
Property Address [Property Address]

Instructions

Upon completion of improvements indicated herein:

- 1. Sign this completion certificate;
- 2. Prepare required attachments, as applicable;
- 3. Submit to Energy Efficient Equity;

Upon receipt of this Completion certificate and attachments, E3 will approve and process payment.

Installed Improvements

Improvements	Price	Qty	Amount
[Make], [Model] [Description]	[\$0.00]	[0]	[\$0.00]
[Make], [Model] [Description]	[\$0.00]	[0]	[\$0.00]
[Make], [Model] [Description]	[\$0.00]	[0]	[\$0.00]
Total Cost of Improvements			[\$0.00]

Contractor

I, the undersigned hereby certify that:

1. The improvements made to the Property are complete to the satisfaction of the property owner;
2. All improvements made to the Property meet the program eligibility criteria as described in the Program Handbook;
3. I have read, understood and complied will all terms of the Programs Contractor Handbook and Agreements;
4. I have the correct and current licensing/classifications from the State Licensing Board to construct the improvements;
5. The Property Owner signed this Completion Certificate after the improvements were complete and the signatures are genuine;
6. I hereby assign my rights to place mechanics lien, stop notice, or any right against labor and material bond on the job to the Energy Efficient Equity Inc;
7. I transfer and Assign my rights to Program Fund Moneys to Energy Efficient Equity Inc; and
8. I have the Authority sign this completion certificate on behalf of the company.

Authorized Signatory	[Signature]		
Name	[Full Name]	Date	[01/01/2001]

Property Owner(s)

Do NOT sign until the improvements have been completed to your satisfaction

I, the undersigned hereby certify that:

1. The improvements listed above have been made to the Property and are complete to my satisfaction;
2. I have read, understood and complied with all terms of the Program Handbook;
3. I understand that the Program does not endorse the Contractor or make any representations as to the economic value, safety, durability or reliability of the improvements;
4. I have obtained all necessary final permits and inspections required for the improvements made;
5. I hereby instruct the Energy Efficient Equity inc. to release to the Contractor the total cost of my improvements indicated on this completion certificate;
6. I hereby transfer and Assign my rights to Program Fund Moneys to the Energy Efficient Equity inc.

[Owner Name]	[Signature]		
Identity Verification Code	[ID Code]	Date	[01/01/2001]

[Owner Name]	[Signature]		
Identity Verification Code	[ID Code]	Date	[01/01/2001]