



Energy Efficient Equity, Inc.

A PACE Financing Program

Program Handbook

FLORIDA

Version 13.1

Last Updated July 26, 2019



1. The Energy Efficient Equity, Inc.

1.1 Program Overview

The Energy Efficient Equity, Inc. (“Program”, “we”, “us” or “our”) is an administrator for the Florida PACE Funding Agency (“Authority”) Open Property Assessed Clean Energy (“PACE”) Program (“Open PACE Program”). We offer financing and refinancing of renewable energy, energy conservation and efficiency, and wind resistance improvements, and such other improvements, infrastructure or other work as may be authorized by law from time to time (collectively, the “Qualifying Improvements”). Products that are installed in connection with Qualifying Improvements must meet eligibility criteria (collectively, “Eligible Products”). The Eligible Products must be affixed to the property. The property must be located in a county or city that participates in the Open PACE Program (each a “Participating Municipality”).

The financing is provided to a property owner (also referred to as “you” or “your”) through a financing agreement (the “Financing Agreement”) between the Authority and the property owner. Capitalized terms not otherwise defined in this Guidebook have the meaning ascribed to them in the Financing Agreement. Pursuant to the Financing Agreement, the Authority will levy a contractual non-ad valorem assessment (the “Assessment”) on the property with respect to which the Qualifying Improvements will be installed. The Assessment will be repayable in equal annual installments over a number of years up to the useful life of the Eligible Product in an amount sufficient to fully pay off the Assessment. An Annual Collection Fee will be added to each annual Assessment installment. The total amount of the annual Assessment installment will appear as a separate line item on your property tax bill.

The Authority issues bonds (“Bonds”) to provide the funds to finance the Qualifying Improvement and to pay the costs of the Program. The Bonds are issued under an indenture (“Indenture”) between the Authority and a trustee for the holders of the Bonds (“Trustee”). The Participating Municipality collects the annual Assessment installments, plus, along with your property taxes and any other assessments on your property, and remits the annual Assessment installment to the Trustee for the benefit of the holders of the Bonds (“Bondholders”).

The Authority is a public body corporate, politic and local unit of government duly organized and existing under the provisions of the Florida Interlocal Cooperation Act of 1969, Chapter 163, Part I, Florida Statutes, as amended and is authorized by Section 163.08 Florida Statutes to provide statewide funding and financing for Qualifying Improvements.



1.2 This Handbook is for Residential Property Owners

This “Program Handbook” is for property owners interested in financing the installation of Qualifying Improvements to properties that are single-, two-, three- or four-family homes located in Participating Municipalities. For a list of Participating Municipalities, visit our website at www.energyefficientequity.com.

1.3 Is the Program Right for You?

The Program may not be the best financing option for you. You should carefully read this Handbook, the forms of the documents you will be required to sign and research all available options and then select the option that is most appropriate for you. We make no representations, expressed or implied that the Program is the right option for you.

BEFORE YOU ENTER INTO A FINANCING AGREEMENT, YOU ARE REQUIRED TO PROVIDE TO THE HOLDERS OR LOAN SERVICERS OF ANY EXISTING MORTGAGES ENCUMBERING OR OTHERWISE SECURED BY THE PROPERTY AT LEAST 30 DAYS NOTICE OF YOUR INTENT TO ENTER INTO A FINANCING AGREEMENT WHICH NOTICE SHALL INCLUDE THE MAXIMUM PRINCIPAL AMOUNT TO BE FINANCED AND THE MAXIMUM ANNUAL ASSESSMENT NECESSARY TO REPAY THAT AMOUNT. THE PROGRAM WILL PREPARE AND SEND THIS NOTICE ON YOUR BEHALF IF YOU ARE APPROVED FOR FINANCING.

WHILE FLORIDA LAW RENDERS UNENFORCEABLE A PROVISION IN ANY AGREEMENT BETWEEN A MORTGAGEE OR OTHER LIENHOLDER AND A PROPERTY OWNER, OR OTHERWISE NOW OR HEREAFTER BINDING UPON A PROPERTY OWNER, WHICH PERMITS ACCELERATION OF PAYMENT OF THE MORTGAGE, NOTE OR LIEN OR ANY OTHER UNILATERAL MODIFICATION BY THE MORTGAGEE OR OTHER LIENHOLDER SOLELY AS A RESULT OF YOUR ENTERING INTO A FINANCING AGREEMENT, THE MORTGAGEE OR OTHER LIENHOLDER IS PERMITTED TO INCREASE YOUR REQUIRED MONTHLY ESCROW BY AN AMOUNT NECESSARY TO PAY THE ANNUAL ASSESSMENT INSTALLMENT. AS A RESULT, YOUR REQUIRED MONTHLY ESCROW PAYMENT MAY BE INCREASED.

SOME MORTGAGE LENDERS OR SECONDARY MORTGAGE MARKET PURCHASERS MAY EITHER (A) REFUSE TO REFINANCE AN EXISTING MORTGAGE OR (B) REFUSE TO FINANCE THE PURCHASE OF ANY PROPERTY OR (C) REFUSE TO PURCHASE MORTGAGES IN THE SECONDARY MORTGAGE MARKET DUE TO THE SUPERIORITY OF AN ASSESSMENT FOR IMPROVEMENTS ON THE UNDERLYING PROPERTY SUCH AS THE TYPE OF ASSESSMENT THAT WOULD BE CREATED BY YOU PARTICIPATING IN THE PROGRAM. FOR EXAMPLE, FANNIE MAE AND FREDDIE MAC, THE OWNERS OF A SIGNIFICANT PORTION OF ALL MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE



MORTGAGES ON PROPERTIES WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE AUTHORITY. THIS MAY DISCOURAGE POTENTIAL BUYERS AND LENDERS FROM EITHER PURCHASING OR REFINANCING YOUR PROPERTY. THIS MAY ALSO CAUSE THE MORTGAGEE OF A POTENTIAL PURCHASER TO REFUSE TO FINANCE THE PURCHASE OF YOUR PROPERTY. FINALLY, THIS MAY ALSO MEAN THAT WHEN YOU SELL OR REFINANCE YOUR PROPERTY YOU MAY BE REQUIRED TO PREPAY THE ASSESSMENT AT THE TIME YOU CLOSE YOUR SALE OR REFINANCING.

AT OR BEFORE THE TIME YOU EXECUTE A CONTACT FOR THE SALE AND PURCHASE OF YOUR PROPERTY WHICH IS SUBJECT TO AN ASSESSMENT, YOU MUST GIVE THE PROSPECTIVE PURCHASER A WRITTEN DISCLOSURE STATEMENT IN THE FOLLOWING FORM EITHER IN YOUR CONTRACT OF SALE OR A SEPARATE WRITING:

QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, OR WIND RESISTANCE.

“The property being purchased is located within the jurisdiction of a local government that has placed an assessment on the property pursuant to section 163.08 of the Florida Statutes. The assessment is for a qualifying improvement to the property relating to energy efficiency, renewable energy, or wind resistance, and is not based on the value of property. You are encouraged to contact the county property appraiser’s office to learn more about this and other assessments that may be provided by law.”

1.4 Modification of this Handbook

We may, in our sole discretion, modify this Handbook at any time and from time to time. The “Last Updated” date on the front page will indicate when the latest modifications were made. You may check our website at www.energyefficientequity.com, email us at info@energyefficientequity.com, or call us at (855) 500-9505 to confirm you are reviewing the current version of this Guidebook.

1.5 Who Are We?

Energy Efficient Equity, Inc. (E3) is the entity authorized to originate residential Assessments on behalf of the Authority under the Energy Efficient Equity, Inc. CounterPointe Energy Solutions (FL) LLC is the program administrator for the Program (“Program Administrator”).



1.6 Contact Us

Please contact us if you have any questions, comments or suggestions.

Call Center: Phone: (855) 500-9505

Hours: Monday through Friday 8AM through 6PM (Eastern Time)

After Hours: The Call Center is always open to receive voice messages after hours and on weekends and holidays.

Email: info@energyefficientequity.com

Mail: Energy Efficient Equity, Inc.
5201 Blue Lagoon Dr #810
Miami FL 33126

Property Owner, Property, Product and Contractor Eligibility

1.7 Introduction

To be eligible to receive financing from the Program, the property owner, the property and the products to be affixed to the property must meet eligibility criteria. In addition, a contractor meeting the Program's minimum eligibility criteria and registered with the Program as a Participating Contractor must install the Eligible Products financed by the Program.

1.8 Property Owner Eligibility

1.8.1 Eligible Property Owners

A property owner or, if there is more than one owner of record, each property owner must be an owner of record and may be a natural person, a corporation, a limited liability company, a partnership, a trust, an association, a cooperative or any other type of entity, subject to the other requirements set forth below. If a record owner is a trust, the trustees will have to complete and sign a Certificate of Trust or provide trust documents. If a record owner is an entity other than a trust, an authorized officer will have to complete and sign an Officer's Certificate or provide proof of signatory authorization. You can obtain copies of these documents from the Program.

1.8.2 All Owners Must Sign the Financing Documents

All owners of record, or their legally authorized representative(s), must sign the Property Owner Application, the Financing Agreement, and all other agreements, consents, authorizations,



certificates and documents that are required to be signed pursuant to the Application and the Financing Agreement and by Energy Efficient Equity, Inc.

1.8.3 All Owners Must Have Legal Capacity to Contract

All owners of record must have legal capacity to enter into the Financing Documents.

1.8.4 Property Owner Must be Eligible to Pay Property Taxes

A property owner must be eligible to receive a property tax bill and pay property taxes to the Participating Municipality.

1.8.5 No Involuntary Liens; Notices of Default

There must be no Federal, state or local income tax liens, judgment liens, construction liens, mechanic's liens or similar involuntary liens (e.g., water, sewer, delinquent tax liens) on the property.

In addition, no notices of default or other evidence or property-based debt delinquency shall have been recorded during the preceding three years or the property owner's period of ownership, whichever is less.

1.8.6 Property Taxes are Current

Energy Efficient Equity, Inc. shall reasonably determine that all Property taxes and any other assessments levied on the same bill as property taxes on the property have been paid and have not been delinquent for the preceding three years or since the property owner acquired the property, whichever period is shorter.

1.8.7 Mortgage Debt

Mortgage debt, if any, on the property must be current.
Mortgage debt, if any, cannot consist of a reverse mortgage.

1.8.8 No Bankruptcy

The property currently is not an asset in an active bankruptcy and no property owner currently is subject to a bankruptcy proceeding.

1.8.9 Property Eligibility

1.8.10 Residential Properties

Residential properties include single-family homes and residential properties of up to four family dwelling units, including vacation and second homes.



1.8.11 Mobile Homes and Manufactured Homes

Mobile homes and manufactured homes are eligible if the homes are permanently attached to the property and if the property owner also owns the underlying property and pays property taxes.

1.8.12 New Construction

The Program will not finance wind-resistance improvements in buildings or facilities for which a certificate of occupancy or similar evidence of substantial completion has not been issued as a separate and distinct undertaking from the original build-out.

1.8.13 Property Location

The property must be located within a Participating Municipality.

1.8.14 Property Value and Equity

The total amount of the Assessment may not exceed 20% of the just/market value of the property as determined by the county property appraiser without the consent of the holders or loan servicers of any mortgage encumbering or otherwise secured by the property; **provided, that** an Assessment for a Qualifying Improvement which involves renewable energy or energy conservation and efficiency improvements that is supported by an energy audit is not subject to the 20% limit if the audit demonstrates that the annual energy savings from the Qualifying Improvement equals or exceeds the annual repayment amount of the Assessment.

1.8.15 Determining Value

1.8.16 The value of the property shall be the fair market value as determined by a certified property appraiser.

1.8.17 Eligible Products

There are minimum efficiency and/or other requirements for each type of Eligible Product. A list (the "Florida Eligible Products List") of types of Eligible Products for residential properties and their criteria can be found at www.energyefficientequity.com. Property owners and Participating



Contractors should consult with Energy Efficient Equity, Inc. to determine whether their proposed products are eligible for the Program. Energy Efficient Equity, Inc. may add or delete Eligible Products from the Florida Eligible Products List based on Program requirements, underwriting guidelines and market conditions at any time without notice. Property owners should confirm with their Participating Contractor that only installations of Eligible Products will be considered for Program financing.

1.8.18 Reserved

1.8.19 Must be New and Affixed.

Eligible Products must be new and must be affixed to a building or facility that is part of the property and shall constitute an improvement to the building or facility or a fixture attached to the building or facility. Proposed Products Must Meet Minimum Eligibility Requirements

1.8.20 Eligibility Is Not an Endorsement or Warranty

The fact that the Program Administrator and Energy Efficient Equity, Inc. operator's authorize funding for the Eligible Products and Qualifying Improvements shall not be construed as confirming or endorsing the qualifications of the property owner, the Participating Contractors, other professionals or any other person involved with the selection, acquisition or installation of the Qualifying Improvements; endorsing the design of the projects or choice or installation of the Eligible Products; or making any representation or warranty regarding the design, installation, economic value, energy savings, quality, safety, durability or reliability of the Eligible Products or the Qualifying Improvements.

1.9 Participating Contractors

1.9.1 Registration of Participating Contractors

The Qualifying Improvements must be installed by contractors who meet the eligibility criteria corresponding to the category of work being performed and who are registered and in good standing with the Program ("Participating Contractors"). Qualifying Improvements installed by a contractor who is not a Participating Contractor will not qualify for financing through the Program.



1.9.2 Participating Contractor Minimum Eligibility Criteria

The minimum eligibility criteria for a Participating Contractor (“Minimum Eligibility Criteria”) is set forth in subsections 1.9.3 through 1.9.8 inclusive and may be amended by Energy Efficient Equity, Inc. at any time and from time to time:

1.9.3 Participation

Contractors wishing to participate in the Program as a Participating Contractor shall complete each step of the Energy Efficient Equity, Inc. enrollment process to the satisfaction of Energy Efficient Equity, Inc.

1.9.4 Licensure

Contractor must possess an active, valid license issued by the State of Florida (the “State”), and must be in good standing with the Florida Construction Industry Licensing Board (“FCILB”) and other specialized licensing boards, as applicable to the work being performed by Contractor, in accordance with Chapter 489 of the Florida Statutes including but not limited to compliance with all bonding, insurance, and workers’ compensation insurance requirements associated with such license(s) before, during, and at the completion of a Qualifying Improvement financed under the Program (the “Project”). For the avoidance of doubt, a State license does not qualify as an active, valid State license if it is expired, suspended, revoked or subject to probation or has additional status codes.

A Contractor must be in good standing with the FCILB and other specialized licensing boards, as applicable to the work being performed by Contractor, in accordance with Chapter 489 of the Florida Statutes before, during, and at the completion of each Project.

In the event Contractor shall contract with one or more subcontractors, Contractor must be a General Building Contractor, and each subcontractor must be in good standing with the FCILB and other specialized licensing boards, as applicable to the subcontractor, before, during, and at the completion of the Project.

Contractor must be licensed for all of the work it performs on each Project and must complete such work according to all applicable laws, rules, and regulations.

1.9.5 Insurance

Participating Contractors are required to maintain insurance coverage as required by the State and the FCILB and other applicable specialized licensing boards. The fact that the Contractor is listed as in good standing with the FCILB and other specialized licensing boards shall be proof that all such requirements have been met by Contractor. Energy Efficient Equity, Inc. shall verify the satisfaction by Contractor of the aforesaid requirements by verifying the fact that Contractor is in good standing with the FCILB and other applicable specialized licensing boards each time Contractor submits an application for financing under the Program.

1.9.6 Experience

Contractor must have verifiable and successful experience with respect to the types of Projects financed by the Program for which Contractor desires to be engaged for Program-financed work



and to be listed in the Registered Contractor Directory on the Site. Contractor shall provide such evidence of its experience as Energy Efficient Equity, Inc. may require during the enrollment process.

1.9.7 Additional Criteria by Municipality

Certain municipalities have established requirements for Contractors beyond what is required by state law. Refer to the Participating Contractor Guidebook available as part of the Other Documents referred to in the Agreement for any additional requirements that may be applicable to Contractor. Contractor must comply with all such additional requirements to be eligible to submit a Project for financing under the Program.

1.9.8 Participating Contractor Guidelines

Participating Contractors must enter into a Participating Contractor Agreement with Energy Efficient Equity, Inc. and must abide by all Program terms and conditions set forth in the Participating Contractor Agreement and in the Program's Participating Contractor Guidebook. You may obtain copies of the form of the aforesaid agreement and guidebook by contacting us by email at info@energyefficientequity.com or by telephone at (855) 500-9505. A Participating Contractor who fails to meet the Minimum Eligibility Requirements or materially violates any requirement of the Program (including the code of conduct included in the Participating Contractor Guidebook) may, within the sole discretion of Energy Efficient Equity, Inc., be suspended from the Program or terminated as a Participating Contractor.

1.9.9 Participating Contractor Enrollment Is Not an Endorsement

The review and investigation of an contractor which desires to enroll in the Program which is conducted by the Program and the enrollment of the contractor as a Participating Contractor under the Program is not, and should not be construed as, an endorsement or warranty of any kind, express or implied, including a warranty as to the qualifications, experience, expertise or quality of the work of the Participating Contractor or any other person, such as a subcontractor, involved with the selection, supply or installation of the Qualifying Improvements or Eligible Products. Property owners bear the entire risk in selecting Participating Contractors for their Program-financed Qualifying Improvements. The Program encourages every property owner to interview several Participating Contractors and conduct their own investigation as to the qualifications, experience, expertise and reputation for quality of work. The Program, the Authority, the Participating Municipalities, the Program Administrator, Energy Efficient Equity, Inc. and their affiliates do not endorse Participating Contractors or any other person involved with the selection, supply or installation of Qualifying Improvements or Eligible Products and do not make any warranty, express or implied, regarding the economic value, energy savings, safety, quality, durability or reliability of the Qualifying Improvements or Eligible Products and the installation thereof.



2 Program Terms and Conditions

2.1 Number of Assessments under the Program

A property owner may have more than one Assessment under the Program for the same property.

Project Costs and Expenses Eligible for Financing

2.2 Financed Amount

The Program will finance the acquisition and installation cost of the Qualifying Improvements (collectively, “Project Costs”) and an amount equal to the “Closing Costs” (collectively, the “Financed Amount”). Installation costs may include, but are not limited to, the cost of and fees for energy, and similar audits, appraisals, labor, designs, drawings, engineering services, building permit fees, surveys, inspections, materials required in connection with the installation of the Eligible Products and technical reviews. Closing Costs are defined and enumerated in the Financing Agreement.

2.3 Project Costs must be Within Industry Cost Guidelines

Project Costs must be reasonable and within industry cost guidelines. Energy Efficient Equity, Inc. shall have the right to refuse to finance all or part of the Project Costs to the extent that Energy Efficient Equity, Inc., in its sole discretion, determines they exceed such guidelines. Energy Efficient Equity, Inc. may request additional documentation or other information to determine the reasonableness of any Project Costs.

2.4 Project Costs May Not Include Installation Costs Unrelated to the Installation of Eligible Products

For property owners who elect to install Qualifying Improvements as part of a remodeling or renovation project, financing is only available for the Project Costs directly related to the Qualifying Improvements or Eligible Products within the existing structure of an existing building. Installation costs related to an existing building’s envelope, systems, and/or infrastructure are not eligible for financing except where they are required for the workmanlike installation of the Qualifying Improvements or Eligible Products. If a property owner is planning to finance the installation of Qualifying Improvements or Eligible Products as part of a remodeling or renovation project, the property owner or its Participating Contractor should first contact Energy Efficient Equity, Inc. to determine what installation costs will be eligible for financing.

2.5 Deduction of Rebates and Credits from Project Costs

Federal, state or local tax credits or rebates or utility credits or rebates that are payable in a lump sum and that are assigned by the property owner to a Participating Contractor are required to be deducted from the amount of the Project Costs eligible for financing. You are not required to deduct performance-based incentives that are paid over time. Federal, state or local tax credits or rebates or utility credits and rebates that either are not assignable or are assignable but are not assigned to



a Participating Contractor are not required to be deducted from the Project Costs . Property owners may wish to consider these additional benefits in determining the amount of their financing request.

2.6 Program Costs

The property owner will incur certain fees and other costs related to his or her use of the Program (“Program Costs”). Program Costs include:

- the fees and costs payable at the closing of the financing as described in Section 3 (B) of the Financing Agreement (the “Closing Costs”);
- the Annual Collection Cost as described in Section 3(C) of the Financing Agreement; and
- the interest payable over the term of the Assessment on the Financed Amount (i.e. the aggregate amount of the Closing Costs and the Project Costs) pursuant to the Financing Agreement.

All Closing Costs and other one-time Program Costs incurred on or before the closing may be financed. The Annual Collection Cost may not be financed.

All interest rates and other Program Costs are subject to change without notice. Interest rates and the Closing Costs are established at the time that the Financing Agreement is issued to the property owner for signature. Fees or expenses incurred in connection with the Application will be established before they are incurred. In addition, the Annual Collection Cost may increase during the term of the Assessment.

2.7 Calculating the Amount of the Assessment

Each Assessment has a principal component and an interest component. The principal component is equal to the Financed Amount. Based on the interest rate and the maturity of the Assessment, we will compute the total amount of the Assessment based on equal, annual payments of the Assessment. As noted elsewhere, Annual Collection Costs will be added to your annual Assessment payment and may change over time based on the actual fees and costs for collecting the annual payments of the Assessment. When the installation of the Qualifying Improvements is completed, these amounts will be recalculated if the Financed Amount and/or the completion date is different than what was set forth in the Financing Agreement.

2.8 Repayment of the Assessment

2.8.1 Equal Annual Payments;

Property owners will make equal annual payments consisting of principal (i.e., the amount financed by the Assessment) and interest over the term of the Assessment. In addition, the Annual Collection Costs, which are subject to change, will be added to your annual payment. Annual payments will be billed and appear as an additional line item on your property tax bill sent by the Property Tax Collector in the jurisdiction where the property is located. As with other property taxes, the annual payment related to the Assessment must be paid prior to April 1st of the year following the year in which tax bill is published; provided, that if the delinquency date for ad valorem taxes is later than April 1 of the year following the year in which such taxes are assessed, the delinquency date for the annual payment related to the Assessment shall be extended for a like number of days. The Property Tax Collector will collect and remit the annual payments of the Assessment to the Trustee.



2.8.2 Failure to Pay; Risk of Foreclosure

2.8.1 In the event a property owner becomes delinquent on its annual installment of the Assessment, the Property Tax Collector and your local government jurisdiction will be required to follow the process mandated by applicable Florida law to collect delinquent tax payments, plus applicable penalties and interest. In particular, property owner shall be subject to such remedies as are afforded under Florida Statutes, Chapter 197, as same may be amended from time to time. Property owner acknowledges that such remedies include, but are not limited to, the issuance of a tax certificate on the Property by the Property Tax Collector. In the event a tax certificate on the Property is issued, and the annual Assessment installment remains unpaid, the Property Tax Collector is required to hold a tax certificate auction on or before June 1, each year. The auction will allow investors to purchase the tax certificate by paying the annual Assessment installment. In order to redeem the tax certificate, the property owner must pay the Property Tax Collector the delinquent Assessment, plus interest costs and fees. If the annual Assessment installment continues to remain unpaid two years after the date of the delinquency in payment, the holder of the tax certificate holder may file a tax deed application with the Property Tax Collector, whereupon the Property will be subject to sale at a public auction.

Because Bonds are sold to finance the Qualifying Improvements, the Authority will pledge and assign the Financing Agreement, and the related Assessment and lien, as security for the Bonds.

2.8.2 Prepayments

A property owner may choose to prepay its Assessment at any time prior to a payment delinquency in full or in part, in any amount of at least \$2,500, at any time upon the payment of (1) all or, subject to the minimum amount recited above, a portion of the unpaid Financed Amount (the "Assessment Prepayment Amount") plus (2) interest on the Assessment Prepayment Amount to the earlier of January 15th or July 15th occurring at least 20 days following the date the prepayment is made, plus (3) a prorated amount of the Annual Collection Cost. The property owner's right to prepay its assessment and any interest or other costs associated therewith after the occurrence of a delinquency shall be subject to the requirements of Florida Statutes, Chapter 197.

2.9 Building Permits and Inspection

It is the responsibility of the property owner and the Participating Contractor to determine that all required building permits are in effect prior to the installation of the Qualifying Improvements. Property owners should speak with their Participating Contractors (or the building department) to determine if the installation of the Qualifying Improvements or Eligible Products will require a building permit and or inspection. The property owner and the Participating Contractor will represent in the Completion Certificate that all required building permits were obtained. The property owner is not required to submit the documentation to the Program but the Program has the right to request that it be submitted as a condition to a progress or final payment of the financing. See the form of Completion Certificate.



The Authority, the Program Administrator and/or Energy Efficient Equity, Inc. may schedule on-site visits to confirm that the Qualifying Improvements were fully and permanently installed as well as to check general workmanship.

Application, Approval and Closing Process

2.10 Five Step Process

There are five steps to the application and approval process that every applicant must follow. The Program reserves the right to request additional information from property owners in its sole discretion and to deny applications based on any information that may affect the likelihood that a Property Owner may not have the wherewithal to pay its Assessment.



2.11 Step 1 & 2: Submit Application Information and Qualifying Improvements for Review and Approval

Once the property owner's Application has been accepted for processing, the next step is to submit the Qualifying Improvements to the Program.

The property owner should consult with the Participating Contractor to identify which Qualifying Improvements might be appropriate for the property and obtain an estimate for the work to be performed at the property. There are several ways for the property owner to get an estimate for the work; 1) consult with the Participating Contractor, 2) request a utility-sponsored energy audit or 3) speak with other experts concerning the feasibility of the desired Qualifying Improvements. Costs associated with an energy audit are eligible Project Costs that can be included in the financing.

The Participating Contractor will input the chosen Qualifying Improvements through the Contractor Portal. The Qualifying Improvements proposal contains information of primary importance to the



property owner's financing such as the specific Qualifying Improvements or Eligible Products being installed, including manufacturer and model number, the names and licenses of all Participating Contractors performing the work, the estimated energy or water savings (if applicable), and the total proposed Project Costs per Eligible Product, as well as itemization of any other Project Costs. Any manufacturer's specifications detailing the estimated performance of Eligible Products should also be included. The Program will then review the submitted information to determine if the project will be approved for financing. Projects may not be approved if they do not meet the required criteria for approval. Once the Application and the Qualifying Improvements have been reviewed and approved by the Program for financing, the property owner and the Participating Contractor will be sent a confirmation of approval or the project for financing by the Program by mail or email.

2.12 Step 3: Signing the Financing Agreement Package

If the Application is approved for financing under the Program, the Property Owner will be sent the Finance Package via DocuSign. The Finance Package consists of the Application, Financing Agreement, Notice of Right to Cancel, Privacy Statement among other documents. The Application contains the requirements that the property owner(s) must meet in order to be approved, as well as a description of the fees and costs related with the Assessment. The Financing Agreement contains the terms and conditions of the Assessment. The Notice of Right to Cancel contains the form that the property owner should submit in the event the property owner chooses to cancel the Financing Agreement. The Property Owner must sign the FHFA Disclosure and the Financing Agreement, the Notice of Right to Cancel (acknowledging receipt thereof) via DocuSign and return them to the Program.

Unless the property owner elects to cancel the Financing Agreement as set forth in the Right to Cancel document, the Program will send the Notice to Proceed to the property owner and the Participating Contractor authorizing work to commence.

2.13 Step 4: Installation of Qualifying Improvements

Participating Contractors must obtain a building permit (if required by the applicable building code or other ordinance of the Participating Municipality) for all phases and trades used in installing the Qualifying Improvements and Eligible Products. Participating Contractors are required to maintain a record of all permits, periodic progress inspections/reports, and other documentation necessary to demonstrate compliance with all applicable codes and laws.

If the property owner wishes to make any changes to the project, the property owner must first obtain the approval of the Program. Any approved change orders are likely to require changes to



the exhibits to the Financing Agreement and the Completion Certificate, and may also affect the Program Costs in addition to the Project Costs.

2.14 Step 5: Completion Certificate and Disbursements to Participating Contractor

2.14.1 Final Disbursement. Once the project has been completed and certificate of occupancy issued (if applicable), the Participating Contractor will execute the Completion Certificate and send it to the property owner for review, approval and signature. The Participating Contractor will provide the Program with final invoice and building permits if applicable. The property owner will receive from the Participating Contractor documentation of any payments, assignment of rebates, tax credits, approved change orders and, building permits, inspection certificates and certificates of occupancy. The Participating Contractor will provide the property owner with operating instructions for the Qualifying Improvements (if applicable) as well as warranty information. If the property owner is satisfied with the above documentation and the project is fully complete, they will execute and submit the Completion Certificate to the Program as your authorization to direct the Trustee to make the Final Disbursement to the Participating Contractor. If a Progress Disbursement has been paid, the amount of the Final Disbursement will be the total cost of the Qualifying Improvements and the installation thereof less the amount of the Progress Disbursement.

Upon receipt of the Completion Certificate the Program will verify both receipt of all required project documentation and that the Participating Contractors' license and all subcontractors' licenses are valid. The Qualifying Improvements may also be inspected and verified as a condition of disbursement of final payment within the sole discretion of the Program. Once the Program verifies that all preconditions to disbursement of the payment to the Participating Contractor have been satisfied, Energy Efficient Equity, Inc. and the Program Administrator will authorize disbursement to the Participating Contractor of the amount set forth in Section D of the Completion Certificate.

Following verification of the above, the Program will adjust the amount of the Assessment and the annual installments of the Assessment, if necessary, to reflect the actual Assessment based upon the aggregate amount disbursed, the date of completion, the amount of prepaid interest and the amount of any other variable Program Costs. These amounts will be reflected in revised exhibits to the Financing Agreement, a copy of which will be attached to the Notice of Assessment.



3 Additional Considerations

3.1 Taxes and Rebates

3.1.1 Taxes

Property owners are solely responsible for the Federal, state and local tax consequences of participating in the Program. Property owners should consult their tax advisors with respect to tax implications, including whether any part of the Assessment is a deductible expense and whether there are any tax credits or other tax incentives available. Neither the Authority, the Program Administrator nor Energy Efficient Equity, Inc. has provided tax advice to the property owner and nothing in the documents related to the Program, including this Guidebook, shall be considered to be tax advice.

3.1.2 Rebates and Incentives

Federal, state, local and utility rebates and incentive programs exist for certain Eligible Products. Federal, state and local laws and rebate programs may change at any time. Property owners are solely responsible for identifying and applying for any eligible incentives and rebates.

3.2 Reassessment of Property upon Installation of Eligible Products

In the 2008 general election, Florida voters approved a constitutional amendment authorizing the Legislature, by general law, to prohibit consideration of any change or improvement made for the purpose of improving a property's resistance to wind damage or the installation of a renewable energy source device in the determination of the assessed value of residential real property.

Each property owner should conduct its own investigation as to whether and to what extent its property will be reassessed upon completion of the installation of the Qualifying Improvements.

3.3 Modifications in Program Terms and Conditions

Energy Efficient Equity, Inc. reserves the right to modify the terms and conditions of the Program at any time and from time to time without notice. However, once a property owner enters into a Financing Agreement, no such modification will affect such property owner's Financing Agreement or obligation to pay its Assessment in accordance with the terms and conditions set forth in its Financing Agreement.



3.4 Exceptions to Terms and Provisions

The Program may make exceptions to the terms and provisions detailed in this Guidebook where there is a finding that such exception furthers the goals and objectives of the Program. Consideration of an exception request from a property owner may involve payment of fees in addition to those fees listed herein. Such fees will be disclosed to the property owner prior to any such fees being charged to the property owner.

3.5 Summaries Are Qualified by Reference to the Full Text

References in this Handbook to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such laws, rules, regulations, resolutions, agreements, reports and documents are qualified in their entirety by references to the particular laws, rules, regulations, resolutions, agreements, reports and documents, the full text of which may contain qualifications of and exceptions to statements made herein. No representation or warranty is made as to the accuracy or completeness of such laws, rules, regulations, resolutions, agreements, reports and documents referenced herein.



3.6 Disclosures

3.6.1 Equal Credit Opportunity Act (ECOA)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against an applicant on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Division of Credit Practices, Washington D.C. 20580.

3.6.2 Fair Credit Opportunity Act (FCRA)

As part of assembling your Application, the Program Administrator will request a consumer report bearing on your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

3.6.3 The Housing Financing Discrimination Act of 1977

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 FAIR LENDING NOTICE

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

1. TRENDS, CHARACTERISTICS OR CONDITIONS IN THE NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION, UNLESS THE FINANCIAL INSTITUTION CAN DEMONSTRATE IN THE PARTICULAR CASE THAT SUCH CONSIDERATION IS REQUIRED TO AVOID AN UNSAFE AND UNSOUND BUSINESS PRACTICE; OR

2. RACE, COLOR, RELIGION, SEX, MARITAL STATUS, DOMESTIC PARTNERSHIP, NATIONAL ORIGIN OR ANCESTRY. IT IS ILLEGAL TO CONSIDER THE RACIAL, ETHNIC, RELIGIOUS OR NATIONAL ORIGIN COMPOSITION OF A NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION OR WHETHER OR NOT SUCH COMPOSITION IS UNDERGOING CHANGE, OR IS EXPECTED TO UNDERGO CHANGE, IN APPRAISING A HOUSING ACCOMMODATION OR IN DETERMINING WHETHER OR NOT, OR UNDER WHAT TERMS AND CONDITIONS, TO PROVIDE FINANCIAL ASSISTANCE.



3.6.4 Patriot Act Disclosure

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: As part of applying to the Program, Energy Efficient Equity, Inc. or the Participating Contractor will ask for your name, address, date of birth, and other information that will allow it to identify you. You also may be required to provide a copy of the driver's license or other identifying documents from any and all property owner(s) or, if a Property is owned by an entity, all the owners of the entity.

3.6.5 Consult with Your Own Legal Advisor

If you have any questions about any mortgages, deeds of trust, loan agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute this Application or enter into an Financing Agreement 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). Neither the Authority, Energy Efficient Equity, Inc., the Program Administrator nor other Program representatives can provide you with advice about any of these matters.

3.6.6 Monitoring and Recording Telephone Calls

The Program may monitor or record telephone calls for security and customer service purposes. By submitting this Application, you consent to have any phone conversations monitored or recorded.

4 Dispute Resolution Management

4.1 Introduction

We strive to be a best-in-class organization. Nonetheless, it is inevitable that issues or concerns will arise. When they do, we will do our very best to address them fully, promptly, and courteously. We have systems and procedures to handle inquiries, provide technical consultation, address complaints and resolve disputes, all with a view toward achieving mutually satisfactory resolutions, keeping relationships intact and avoiding legal proceedings.

In most cases, our toll-free call centers will be able to answer specific questions, respond to requests for information, and address issues that arise in connection with the application process or in connection with selecting a contractor or other professionals and their participation in the Program or any other area of concern. You should also feel free to raise any issues or concerns during our surveys or on-site inspections. Our goal is to resolve issues or concerns on the spot. However, there are likely to be some issues that will require a higher level of attention. Accordingly, we have developed a process to address them.



4.2 Program Complaint Resolution

We use a process that actively manages the resolution all complaints to deliver a satisfactory resolution of the matter as expeditiously as possible from the time the complaint is brought to our attention. The first response will likely be from our call center representatives, but if your complaint cannot be resolved at this level, we suggest that you submit all the details of the complaint to Energy Efficient Equity, Inc. in writing. Upon receipt of your written complaint, Energy Efficient Equity, Inc. will enter it into its complaint process and a Program manager will work with all parties to resolve the complaint in a timely manner. The fact that you have filed a written complaint with Energy Efficient Equity, Inc. does not affect your obligations under the Financing Agreement and you should continue to comply with all requirements of that agreement.