

A court authorized this notice. This is not a solicitation from a lawyer.

The case is *In re Renovate Finance Cases*,
Riverside County Superior Court Case No. RICJCCP4940

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT, AND FINAL APPROVAL HEARING**

You have received this notice because you obtained Property Assessed Clean Energy (“PACE”) tax assessment financing through Renovate America, Inc.’s (“Renovate”) HERO Program. Your PACE assessment was authorized and financed by either Los Angeles County between January 1, 2012 and June 15, 2017, the Western Riverside Council of Governments between January 1, 2012 and July 7, 2016, or the San Bernardino Associated Governments between January 1, 2012 and June 15, 2017.

A class action lawsuit may affect your rights.

- This notice describes a proposed class action settlement. Please read this Notice carefully, as the proposed settlement described below may affect your legal rights and provide benefits. *This is not a Notice of a lawsuit against you. This is not an attempt to collect money from you.*
- On November 1, 2016, three class action lawsuits were filed against Renovate that were later coordinated into one action before the Riverside County Superior Court and renamed: *In re Renovate America Finance Cases*, Case No. RICJCCP4940. Those lawsuits, which have been amended over time, generally allege that Renovate’s HERO programs with Los Angeles County, the Western Riverside Council of Governments, and the San Bernardino Associated Governments, failed to adequately disclose certain fees and interest associated with the HERO programs. The lawsuits allege that these disclosures, and the resulting receipt of those fees and interest, violated California’s Unfair Competition Law, as further described below. Renovate vigorously disputes all of these claims and does not believe that the HERO programs violated any law.
- There is now a proposed class action settlement in the matter. Under the terms of the Settlement Agreement, Renovate has agreed to make a payment to each eligible class member (each person receiving this notice).
- The Court has not decided whether Renovate did anything wrong or whether to approve the settlement. However, your legal rights are affected, and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THE LAWSUIT

DO NOTHING	Await the outcome. Give up certain rights. If the proposed settlement is approved, you would receive a payment mailed to you; the parties estimate the average check will be approximately \$20.
OBJECT	Write to the Court about why you don't like the proposed settlement. You can use the enclosed form. If the settlement is approved by the Court despite your objection, you will still receive a payment mailed to you.
EXCLUDE YOURSELF SO THAT YOU MAY FILE AN INDIVIDUAL LAWSUIT	Write to the Court and exclude yourself from this class action settlement. You can use the enclosed form. You will not receive any payment if the settlement is approved, but you will keep any rights to sue Renovate individually about the same legal claims in this lawsuit.

Any further questions? Contact the Settlement Administrator by calling 833-935-1365 or visiting the settlement website at HeroFinancingSettlement.com.

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BASIC INFORMATION

1. Why did I get this notice?

A Court authorized the notice because you have a right to know about a proposed settlement of this class action lawsuit and about all of your options before the Court decides whether to give “Final Approval” to the settlement. This notice explains the lawsuit, the settlement, and your legal rights. Judge Sunshine Sykes, of the Riverside County, California, Superior Court is overseeing this class action. The case is known as *In re Renovate Finance Cases*, Case No. RICJCCP4940.

A court hearing to consider whether to finally approve the Settlement will be held on **July 8, 2020 at 8:30 a.m.**, in Department 6 of the Superior Court of California for the County of Riverside, located at 4050 Main Street, Riverside, California 92501 (“Final Approval Hearing”).

2. What is this lawsuit about?

In the Action, Plaintiffs allege that Renovate violated California’s Unfair Competition Law (“UCL”), California Business & Professions Code section 17200 *et seq.*, based on certain written disclosures used in connection with PACE tax assessments under the HERO programs offered through Los Angeles County, the Western Riverside Council of Governments, and the San Bernardino Associated Governments (the “Government PACE Providers”). Under the UCL, a party may not conduct business or otherwise engage in conduct that is unfair, unlawful or fraudulent. Plaintiffs allege the disclosures relating to certain interest and fees were inadequate, and that it was unfair for consumers to have to pay inadequately disclosed interest and fees. Plaintiffs initially sued the Government PACE Providers and alleged other claims, but those defendants and claims have been dismissed by a court.

Renovate disputes all the Plaintiffs’ claims and does not believe that the HERO programs violated any laws. Renovate also denies that class certification is required or appropriate.

Class Counsel has conducted an investigation into the relevant facts and law. Class Counsel has concluded that the outcome of the Action is uncertain and that a settlement is in the best interests of Plaintiffs and the Settlement Class.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Plaintiffs” or “Class Representatives” (in this case George Loya, Judith Loya, Richard Ramos, Michael Richardson and Shirley Petetan) sue on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” The company they sued (in this case Renovate) is called the Defendant.

The Riverside County Superior Court (the “Court”) has preliminarily approved a settlement class (the “Settlement Class”), consisting of the following persons:

- (i) all persons or entities who received residential PACE tax assessment financing from WRCOG through the HERO program where the underlying assessment contract was executed by the person or entity between January 1, 2012 and July 7, 2016;
- (ii) all persons or entities who received residential PACE tax assessment financing from LAC through the HERO program where the underlying assessment contract was executed by the person or entity between January 1, 2012 and June 15, 2017;
- and (iii) all persons or entities who received residential PACE tax assessment financing from SANBAG through the HERO program where the underlying assessment contract was executed by the person or entity between January 1, 2012 and June 15, 2017.

According to Renovate’s records, you are a member of this Settlement Class. Further, if you have received more than one copy of this Notice in the mail that may be because you are a member of this Settlement Class with respect to more than one PACE assessment. Moreover, if you joined with another person (such as a spouse or family member) on an account, then you and each person who joined you as to that account collectively have the rights outlined in this Notice.

4. Has the Court decided who is right?

The Court never resolved the claims or defenses in the Action. The Court also never resolved whether Renovate did anything wrong. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

5. What are the Plaintiffs asking for?

The Plaintiffs are asking for money to compensate them and the Settlement Class for Renovate's alleged violation of the UCL.

6. What does the settlement provide?

Under the terms of the proposed Settlement, if the Court approves it, Renovate has agreed to provide \$2,550,000.00 in benefits to the Settlement Class. Out of this \$2,550,000.00 in total class benefits, Class Counsel (identified in Section 12 below) has agreed to seek no more than a maximum of \$841,500.00 for attorneys' fees (33% of the settlement fund), plus expenses not to exceed \$80,000.00, and \$20,000 in total service awards for the Class Representatives, all to be paid out of the settlement fund. The remainder of the cash settlement fund, estimated to be approximately \$1,608,500.00, will be used to pay the settlement administration costs of a third party (the "Settlement Administrator") and will be used to pay the Settlement Class pro rata based on the total number of Class Members who do not opt-out of the settlement. The Settlement Administrator estimates that settlement administration costs will be approximately \$116,647.

Based upon information provided by Defendant, which included the number of PACE assessments in the Settlement Class as well as the total principal amount of PACE assessments in the Settlement Class, and if the Court approves the requested attorneys' fees, expenses and awards, Plaintiffs estimate that, pursuant to the allocation formula described in the Settlement Agreement, the average Class Member will receive a check for approximately \$20; however, that amount could be more or less depending on a variety of factors including the size of the Class Member's financing contract. Plaintiffs estimate that the lowest net recovery will be approximately \$4.35 and the largest net recovery will be approximately \$242.61.

WHO IS IN THE CLASS

7. How do I know if I am part of this Class?

This Notice is being issued only to consumers that Renovate has identified as Class Members. The preliminary approved Settlement Class is described in Section 3 above.

YOUR RIGHTS AND OPTIONS

8. What happens if I do nothing at all?

You don't have to do anything now if you want to keep the possibility of getting money or benefits from this proposed settlement. If this settlement is approved by the Court, you will automatically receive a check in the mail. You will be releasing any claims you may have related to the allegations in this lawsuit. You will not be able to participate in any lawsuit against Renovate for the same legal claims that are the subject of this lawsuit. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action. The Settlement Agreement specifically provides:

Upon Final Approval, and in consideration of the promises and covenants set forth in this Agreement, the Representative Plaintiffs and each Class Member who is not a Successful Opt-Out, and all those who claim through them or who assert claims (or could assert claims) on their behalf (including the government in the capacity as *parens patriae* or on behalf of creditors or estates of the releasees), and each of them (collectively and individually, the "Releasing Persons"), will be deemed to have completely released and forever discharged Renovate America, Inc., and each of its past, present, and future officers, directors, employees, and agents (collectively and individually, the "Released Persons"), from any claims asserted in the Second Amended Class Action Complaints and any other claims that could have been brought based on the facts alleged in the Second Amended Class Action Complaints. This Release does not release or discharge any causes of action brought against any of the Released Parties in the unrelated matter *Barbara Morgan, et al. v. Renew Financial Group, LLC, et al.*, San Diego County Superior Court Case No. 37-2019-00052045-CU-OR-CTL, which

alleges certain causes of action relating to California Civil Code sections 1804.1(j) and 1804.2 of the California Retail Installments Sales Act. This Release does not release or discharge any causes of action brought against any of the Released Parties in the unrelated matter Reginald Nemore, et al. v. Renovate America, et al., Los Angeles County Superior Court Case No. BC701810. This Release shall be included as part of any judgment, so that all released claims and rights shall be barred by principles of res judicata, collateral estoppel, and claim and issue preclusion.

9. Why would I ask to be excluded?

If you already have your own lawsuit against Renovate for the kind of violations alleged by the Plaintiffs and want to continue with it, or if you want to preserve your right to file such a lawsuit, you need to ask to be excluded from the Class. If you exclude yourself from the Class—which also means to remove yourself from the Class, which is sometimes called “opting out” of the Class—you won’t get any money or benefits from this lawsuit or settlement. If you exclude yourself, you will not be legally bound by the Court’s judgments in this class action.

If you start your own lawsuit against Renovate after you exclude yourself, you’ll have to hire and pay your own lawyer for that lawsuit, and you’ll have to prove your claims. Renovate can defend itself, and you may lose and recover nothing.

10. How do I ask the Court to exclude me from the Class?

To ask to be excluded, you must send an “Exclusion Request.” If you choose to, you can use the enclosed exclusion form. Be sure to include your name, address, telephone number and date, sign the form and clearly state, “I want to be excluded” or something similar. You must mail your Exclusion Request postmarked by **June 8, 2020**, to:

Renovate America Settlement Administrator
P.O. Box 4234
Portland, OR 97208-4234

11. How do I object to the Settlement?

If you wish to object to the settlement or any matters as described in this Notice, you may do so and, if you choose to, you can use the enclosed objection form. Be sure to include your name and identify each objection, the basis for the objection and sign the form. You should include any papers that support the objection. You must mail your objection postmarked by **June 8, 2020**, to:

Renovate America Settlement Administrator
P.O. Box 4234
Portland, OR 97208-4234

DO NOT CALL THE COURT. DO NOT CALL OR SEND CORRESPONDENCE TO THE JUDGE OR HER CLERKS.

If you wish to appear at the Final Approval Hearing, whether by yourself or through counsel, you are requested, but not required, to file a notice of appearance in the Action no later than **June 24, 2020**, and to serve the notice and other pleadings upon Class Counsel and Counsel for the Defendant.

If the settlement is approved by the Court, despite your objection, you will still receive a payment mailed to you.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

Yes. The Court has approved as “Class Counsel” (the attorneys representing you and other members of the Class):

Mark C. Rifkin, Randall S. Newman, Wolf Haldenstein Adler Freeman & Herz LLP,
270 Madison Avenue, New York, NY 10016, (212) 545-4600

Betsy C. Manifold, Rachele R. Byrd, Wolf Haldenstein Adler Freeman & Herz LLP,
750 B Street, Suite 1820, San Diego, CA 92101, (619) 239-4599

Janine L. Pollack, The Sultz Law Group P.C., 270 Madison Avenue, Suite 1800,
New York, NY 10016, (212) 969-7810

Lee Shalov, McLaughlin & Stern LLP, 260 Madison Avenue, 10th Floor, New York,
NY, 10016, (646) 278-4298

C. Mario Jaramillo, C. Mario Jaramillo, PLC (dba Access Lawyers Group),
527 South Lake Ave., Suite 200, Pasadena, CA 91101, (866) 643-9099

They are experienced in handling similar consumer cases against other companies.

13. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

14. How will the lawyers be paid?

If Class Counsel obtain money or benefits for the Class, they will ask the Court for fees and expenses. You won't have to pay these fees and expenses, they will be deducted from the Settlement Fund. The amount Class Counsel may seek for fees and costs is described in Section 6 above. You may review Class Counsel's petition for fees and costs which will be filed with the Clerk of the Court within 45 days of the mailing of this notice.

THE COURT'S FINAL APPROVAL HEARING

15. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing to consider whether to finally approve the Settlement. It will be held on **July 8, 2020 at 8:30 a.m.**, Department 6, Superior Court for the County of Riverside, 4050 Main Street, Riverside, California 92501.

At the Final Approval Hearing, the Court will consider whether the settlement, including Class Counsel's request for attorneys' fees and costs, is fair, reasonable, and adequate and should be granted Final Approval. If there are objections, the Court will consider them. The Final Approval Hearing may be moved to a different date, extended, or moved to a different Courtroom without additional notice.

16. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. If you send in a written objection, you do not have to come to the Final Approval Hearing to talk about it. As long as you mailed your written objection on time, the Court will consider it. See Section 13 above for details on what to do if you or your attorney wish to attend the hearing.

GETTING MORE INFORMATION

17. Are more details available?

Yes. You may contact Class Counsel or the Settlement Administrator for more details and documents, including the Settlement Agreement.

You may also access additional details and all papers regarding the settlement online at the settlement website at HeroFinancingSettlement.com; or via the electronic document filing system maintained by the Clerk of the Court for the Superior Court for the County of Riverside, at <https://www.riverside.courts.ca.gov/>. You may also get case documents from the Superior Court for the County of Riverside at 4050 Main Street, Riverside, California 92501. The First Amended Settlement Agreement was filed with the Court as an attachment to the Amended [Proposed] Order Preliminarily Approving Settlement, Preliminarily Approving Class for Settlement Purposes, and with Respect to Class Notice, Final Approval Hearing, and Administration, which was filed on February 6, 2020.